



**City of Mansfield, Texas
Comprehensive Annual Financial Report
For Fiscal Year Ended September 30, 2013**





COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2013

Prepared by:

Business Services Department

City of Mansfield, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2013

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1200 E. Broad Street
Mansfield, Texas 76063
817-276-4200

February 17, 2014

To the Honorable Mayor,
Members of City Council, and
Citizens of the City of Mansfield, Texas

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Mansfield, Texas (the City) for the fiscal year ended September 30, 2013.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by KPMG, LLP, a firm of licensed certified public accountants. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1890, is located in the southeastern portion of Tarrant County, with small areas of the City extending into Johnson and Ellis counties, and is considered to be one of the top growth areas in the Dallas/Fort Worth Metropolitan Area (Metroplex). The City currently occupies a land area of 38.6 square miles and serves an approximate population of 59,230. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City is a home rule-city and operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a nonpartisan, at-large basis. Council members serve three- year staggered terms so that at least two members are elected every year. The Mayor and each Council member, unless sooner removed under the provisions of the City Charter, hold office until a qualified successor is elected. Regular terms of office commence at the beginning of the first regular meeting of the Council in May or following the final election as provided in Section 4.05 (Charter Amendment of August 11, 1979).

This report includes all funds of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, traffic engineering, and infrastructure; planning and zoning; general administrative services; water treatment and distribution; sewer service; drainage enhancements and improvements; and recreational and cultural activities. In addition to general government activities, the Mansfield Park Facilities Development Corporation and the Mansfield Economic Development Corporation are required to be included in the City's reporting entity. For additional information, see note I.A. of the notes to financial statements.

The annual budget serves as the foundation for the City's financial planning, financial policies, and financial control. All agencies of the City are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to September 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 15. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). However, the statutory authority or legal level of control for the authority of annual expenditures is appropriated at the fund level by the City Council. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council, if requested by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 72 as part of the required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section, which starts on page 75.5

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City currently enjoys a favorable economic environment and local indicators point to continued stability even though the national economy has been recovering from the great economic recession over the past several years. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. The current unemployment is well below the national average.

Industry

Mansfield has a large industrial area within the City with rail service and adequate water storage to meet fire protection and other demands. The City is not financially dependent upon any one industry or type of industry. See page 97 in the Statistical Section for further information on principal taxpayers. The City recognizes the value of industry to its economic base and continues to seek industry that will be beneficial to the City. Beginning in fiscal year (FY) 1997, the Mansfield Economic Development Corporation, funded by a 1/2 cent sales tax, provides funds for economic development, including financial incentives, infrastructure needs, and tax relief in the recruitment and retention of industry. Recent accomplishments in locating major businesses such as Methodist Hospital and Kline Tools are indicative of the accomplishments of the economic development program.

Transportation

The City is traversed east and west by U.S. Highway 287, and north and south by State Highway 360. The City has direct access to Interstate Highway 20 and Interstate Highway 30. Railroad freight service is provided by Union Pacific Railroad. The City is located approximately 30 miles south of the Dallas/Fort Worth International Airport.

Education

The City is served by the Mansfield Independent School District, one of the highest rated school districts in the Dallas/Fort Worth metropolitan area by the Texas Education Agency. The City has five high schools (Grades 9 and 12), six middle schools (Grades 7 and 8), six intermediate schools (Grades 5 and 6), and 22 elementary schools (Grades K - 4). Enrollment for the 2013/2014 school year was approximately 32,732. The District maintains a pupil-teacher ratio of 22:1 for elementary, a 27:1 ratio for intermediate, and a 28:1 for secondary education and career tech center. Colleges within close proximity to the City are Tarrant and Dallas County Junior Colleges, Southern Methodist University, Dallas Baptist University, University of Dallas, University of North Texas, Texas Women's University, University of Texas at Dallas, University of Texas at Arlington, and Texas Christian University, all of which are well known for their educational standards.

Medical Services

Full service medical service is provided by Methodist Health System, and limited-service care is provided by Vencor Hospital and Cook Children's Clinic. Other full-service hospitals in the immediate area include Medical Center of Arlington, Arlington Memorial Hospital, Hughley Memorial Medical Center, Harris Methodist Hospital, Cook Children's, and John Peter Smith Hospital.

Area Economic Condition

Mansfield, located in the Dallas/Fort Worth Metroplex, and included as one of the 13 cities that comprise the Mid-Cities, continues to grow and develop. The overall outlook for Mansfield in the future is positive. The City is traversed by State Highway 360 and U.S. Highway 287.

The major benefits to the City of State Highway 360 are as follows: direct north and south access to the Dallas/Fort Worth International Airport in 20 minutes, the potential of expanding the City's commercial/industrial and residential developments along the corridor of State Highway 360, as well as the numerous industrial parks located within the close proximity of State Highway 360 and U.S. Highway 287 intersection.

Over the past several years, the City and the local economy have experienced increasing property values and sales tax. Current real estate values are trending upward, and the City is continuing to experience positive growth in residential, industrial, and commercial properties.

Long-Term Financial Planning

The City of Mansfield, Texas has a Long-Term financial plan that includes ten years of projected financial data. The plan is intended to guide management in the daily decisions of managing the City's business matters and long-term capital projects. The plan assembles the visions of City Council, Management and City Staff, into a working plan that allows the vision of the City to be implemented over the course of time. The plan includes variables that allow for current and projected economic factors including:

- ❑ Review population growth projections
- ❑ Identify potential high-growth areas
- ❑ Specify major infrastructure improvements
- ❑ Analyze the financial impact of the improvements
- ❑ Comprehensive planning documents, Land Use Plan, Thoroughfare Plan, Water & Sewer master plan

The Council adopted the plan in November 2000, and it has been revised, modified, and amended since the original adoption of the plan in the year 2000.

Awards and Acknowledgments

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the 26th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2012. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Clayton W. Chandler
City Manager

Peter K. Phillis, CPA
Director of Business Services

Troy M. Lestina
Assistant Director of Business Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

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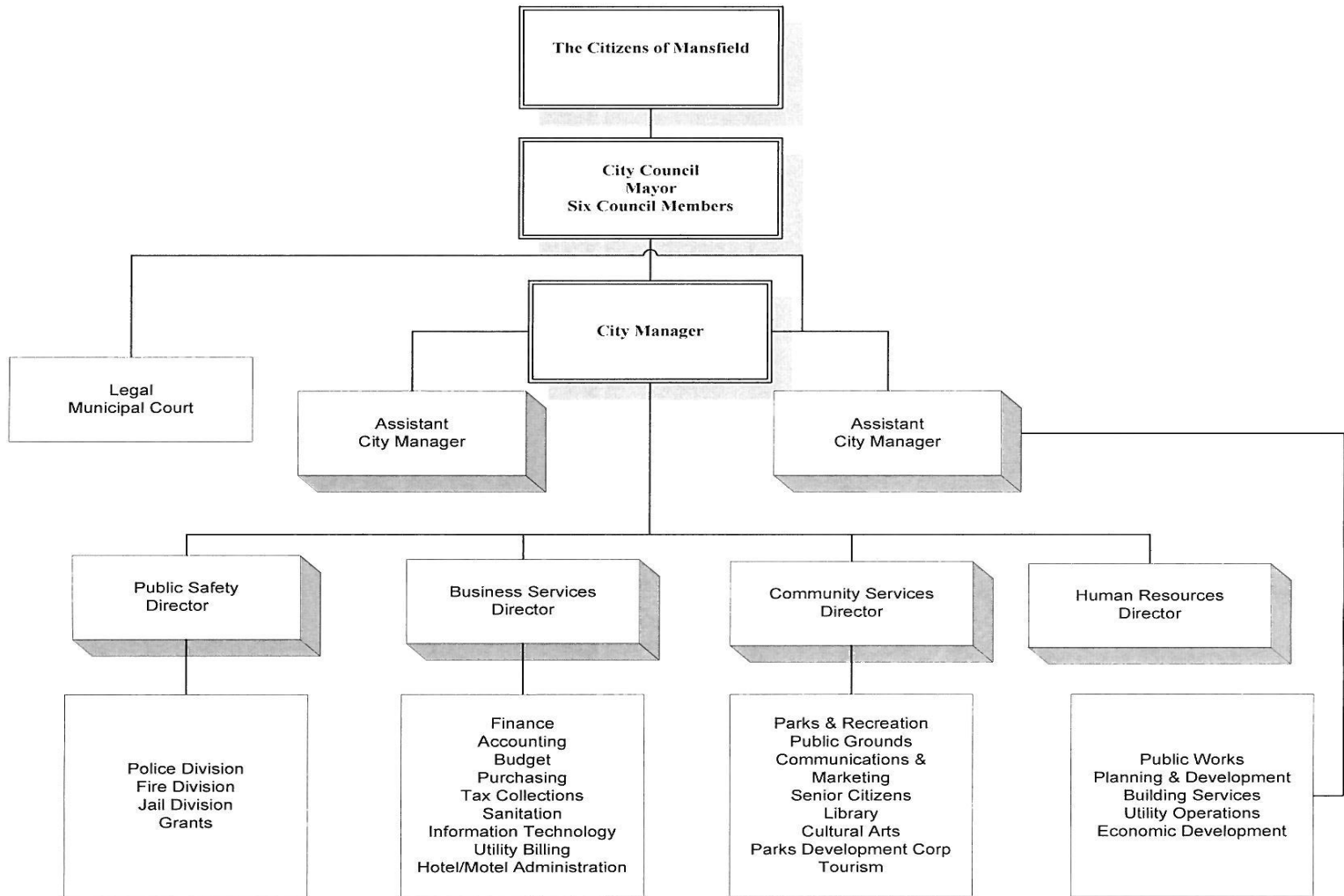
**City of Mansfield
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO



CITY OF MANSFIELD, TEXAS

PRINCIPAL OFFICERS

SEPTEMBER 30, 2013

MAYOR

David Cook

MAYOR PRO TEM

Stephen Lindsey

CITY COUNCIL

Larry Broseh
Darryl Haynes
Wendy Burgess
Cory Hoffman
Brent Newsom

CITY MANAGER

Clayton W. Chandler

ASSISTANT CITY MANAGER

Chris Burkett

DIRECTOR OF BUSINESS SERVICES

Peter K. Phillis, CPA



KPMG LLP
Suite 3100
717 North Harwood Street
Dallas, TX 75201-6585

Independent Auditors' Report

The Honorable Mayor and Members of the City Council
The City of Mansfield, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mansfield, Texas (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mansfield, Texas, as of September 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 14 through 27, the budgetary comparison information on pages 72 through 73 and 77 through 78, and the schedules of funding progress on page 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and capital assets used in the operation of governmental funds schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements and schedules and capital assets used in the operation of governmental funds schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KPMG LLP

Dallas, Texas
February 17, 2014

Management's Discussion and Analysis

As management of the City of Mansfield (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The City's net position or assets less its liabilities at the close of the City's fiscal year is \$384 million. Of this amount, \$33 million may be used to meet the government's ongoing obligations to its citizens and creditors.
- The City recognized \$100 million in revenue from various sources of taxes, services, and capital contributions and recognized \$92 million in expenses in servicing the City's governmental and business enterprises.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$28.6 million. Approximately 37% of this \$28.6 million is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10.6 million or 27% of total general fund expenditures.
- The City's total debt obligations decreased by \$8.1 million (4.5%) during the current fiscal year. This is from \$12.4 million in new and refunding bond proceeds offset by \$20.5 million in scheduled principal payments and payments to escrow agents during the year. The key factors affecting the City's debt position are as follows:

Issuance of General Obligation Refunding Bonds of \$7.1 million for annual savings on principal and interest payments of refunded bonds and the issuance of Revenue Bonds and Certificates of Obligation of \$5.3 million for the purpose of street improvements and other public purposes.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the City's assets less liabilities as the City's net financial position, or remaining net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported

in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include a Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Mansfield Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Mansfield Parks Facilities Development Corporation, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government. The City has two Tax Increment Financing Reinvestment Zones (TIRZs), both legally separate entities, which are geographically defined regions within the City limits established by the City. The purpose of the reinvestment zone is to pay for the public's infrastructure to be owned by the City within the region. The TIRZs are an integral part of the primary government.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the street construction fund, the building construction fund, and the TIRZ funds, all of which are considered to be major funds. Data from the other 6 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The City maintains three different proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Law Enforcement Center Fund, and the Drainage Utility Fund, all of which are considered to be major funds of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The City adopts an annual appropriated budget for its general fund and both debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$383,534,274 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (83%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other	\$ 38,393,368	\$ 39,140,536	\$ 48,575,545	\$ 45,827,354	\$ 86,968,913	\$ 84,967,890
Capital	311,570,707	310,529,627	163,482,458	162,222,418	475,053,165	472,752,045
Total assets	349,964,075	349,670,163	212,058,003	208,049,772	562,022,078	557,719,935
Liabilities:						
Long-Term	108,755,675	109,854,705	59,965,551	64,100,801	168,721,226	173,955,506
Other	6,451,415	5,033,034	3,315,163	3,109,399	9,766,578	8,142,433
Total liabilities	115,207,090	114,887,739	63,280,714	67,210,200	178,487,804	182,097,939
Net position:						
Invested in assets, net related debt	211,269,350	225,017,186	105,677,483	115,837,241	316,946,833	340,854,427
Restricted	15,520,208	490,023	18,107,759	4,319,670	33,627,967	4,809,693
Unrestricted	7,967,427	9,275,215	24,992,047	20,682,661	32,959,474	29,957,876
Total net position	\$234,756,985	\$234,782,424	\$148,777,289	\$140,839,572	\$383,534,274	\$375,621,996

As of September 30, 2013, a portion of the City's net position, \$33,627,967 or 8.77% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$32,959,474, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reports positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

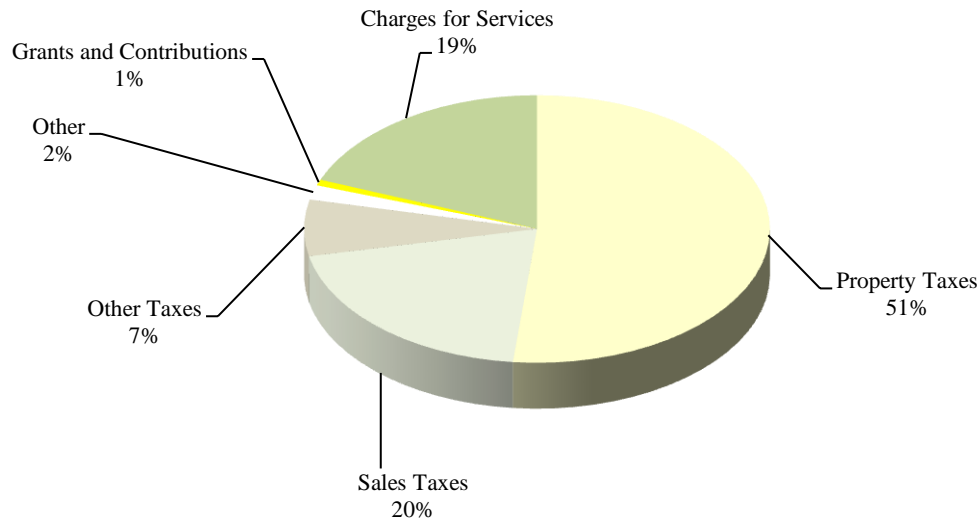
City's Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Beg - Net Position	\$234,782,424	\$233,756,814	\$140,839,572	\$134,615,858	\$375,621,996	\$368,372,672
Revenues	\$60,772,933	\$58,062,346	\$39,401,992	\$36,594,376	\$100,174,925	\$94,656,722
Expenses	60,572,215	57,390,319	31,690,432	30,017,079	92,262,647	87,407,398
Transfers, net	(226,157)	353,583	226,157	(353,583)	-	-
Net Change in Position	(25,439)	1,025,610	7,937,717	6,223,714	7,912,278	7,249,324
End - Net Position	\$234,756,985	\$234,782,424	\$148,777,289	\$140,839,572	\$383,534,274	\$375,621,996

Governmental Activities

City governmental activity revenue for fiscal year 2013 increased \$2.7 million from fiscal 2012. Revenues in fiscal year 2012 were \$58.1 million compared to this fiscal year revenue of \$60.8 million. The increases were from the City's reaction to the overall economy. The economy delivered better than expected results for the City during fiscal year 2013. The increases came from new property taxes from new development, an increase of sales taxes and better than expected collections in other taxes from improved franchise fees. These increases were offset by decreases in royalty payments from gas wells from the prior year. Most of these increases were modest increases over prior year and primarily related to the improvements in the overall economy and the addition new retail and new residential growth in the City from the fiscal year ended 2012.

Governmental Activities - Revenues by Source for fiscal year ending 2013



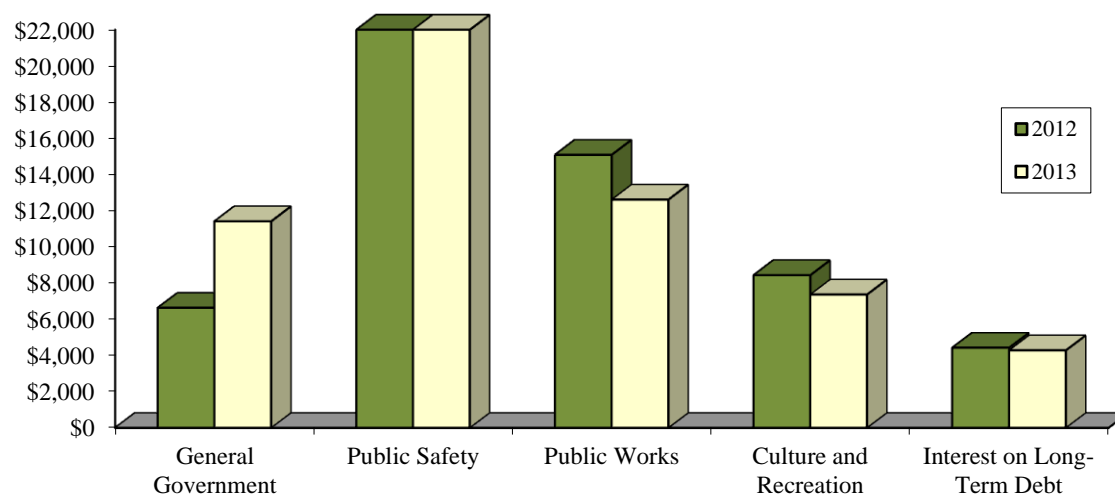
Expenses increased in fiscal year 2013 compared to expenses in fiscal year 2012 by 5.6% or \$3.2 million. The expectation of a continued demand for certain services reprioritized funding in fiscal 2013 compared to prior year. The realignment of expenses reduced cultural and recreational services, increased infrastructure repairs, and added costs to public safety, which has been a priority of the administration in recent years. The increases occurred in public safety because it has greatest number of employees working for the City and in public works because of the need to repair some aging streets. The public works program of the City spends most of its money on street improvements, which are recognized over the course of time through depreciation expense after the improvements have been capitalized. In fiscal 2013, the City recognized \$9.9 million in depreciation expense for street-related assets. Street improvements are expected to last twenty-five years with the appropriate level of maintenance and repair. This year, the City spent over \$1.7 million in maintenance and repairs on its 245 plus miles of linear streets. Interest expense is another component of expenses that is affected by the development of the City. This year, the City spent \$4.3 million in interest expense related to the borrowing of \$102.5 million in governmental activities. This was 7.1% of the total expenses recognized for fiscal 2013. Interest expense is the cost the City incurs for borrowing money to make long-term improvements that are generally regarded as long-term assets of the City. This fiscal year, the Governmental activities reduced the City's net position by \$0.03 million. The decrease in the City net position occurred because the City made a financing decision to prefund or advance fund future obligations within the City's Business-Type Activity. In the absence of this decision, the City's net position would have increased \$1.1 million. The effect of this decision is within the net transfer line item or below the operating activity of the Governmental Activity. The City's change in net position increased \$0.2 million before transfers in fiscal year 2013.

City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
REVENUES -						
Program Revenues:						
Charges for Services	\$11,549,839	\$9,818,836	\$38,802,151	\$34,942,578	\$50,351,990	\$44,761,414
Operating grants and Contributions	187,403	441,893	505,123	818,428	692,526	1,260,321

Capital Grants and Contributions	244,787	539,094	531,674	239,100	776,461	778,194
General Revenues:						
Property taxes	31,389,240	30,823,689	473,203	570,438	31,862,443	31,394,127
Sales taxes	12,195,898	11,699,603	-	-	12,195,898	11,699,603
Other taxes	4,135,319	4,146,271	-	-	4,135,319	4,146,271
Other	1,070,447	592,960	(910,159)	23,832	160,288	616,792
Total Revenues	60,772,933	58,062,346	39,401,992	36,594,376	100,174,925	94,656,722
EXPENSES -						
General government	8,397,239	6,685,947	-	-	8,397,239	6,685,947
Public safety	24,725,424	22,640,074	-	-	24,725,424	22,640,074
Public works	14,851,816	15,114,690	-	-	14,851,816	15,114,690
Culture and recreation	8,281,150	8,488,420	-	-	8,281,150	8,488,420
Interest on debt	4,316,586	4,461,188	-	-	4,316,586	4,461,188
Water and Sewer	-	-	20,751,757	20,552,771	20,751,757	20,552,771
Law Enforcement	-	-	9,836,118	8,712,311	9,836,118	8,712,311
Drainage	-	-	1,102,557	751,997	1,102,557	751,997
Total Expenses	60,572,215	57,390,319	31,690,432	30,017,079	92,262,647	87,407,398
Subtotal	200,718	672,027	7,711,560	6,577,297	7,912,278	7,249,324
TRANSFERS, net	(226,157)	353,583	226,157	(353,583)	-	-
Subtotal	(25,439)	1,025,610	7,937,717	6,223,714	7,912,278	7,249,324
NET POSITION,						
Beginning	234,782,424	233,756,814	140,839,572	134,615,858	375,621,996	368,372,672
Ending	\$234,756,985	\$234,782,424	\$148,777,289	\$140,839,572	\$383,534,274	\$375,621,996

Governmental Activities – Expenses (in thousands)



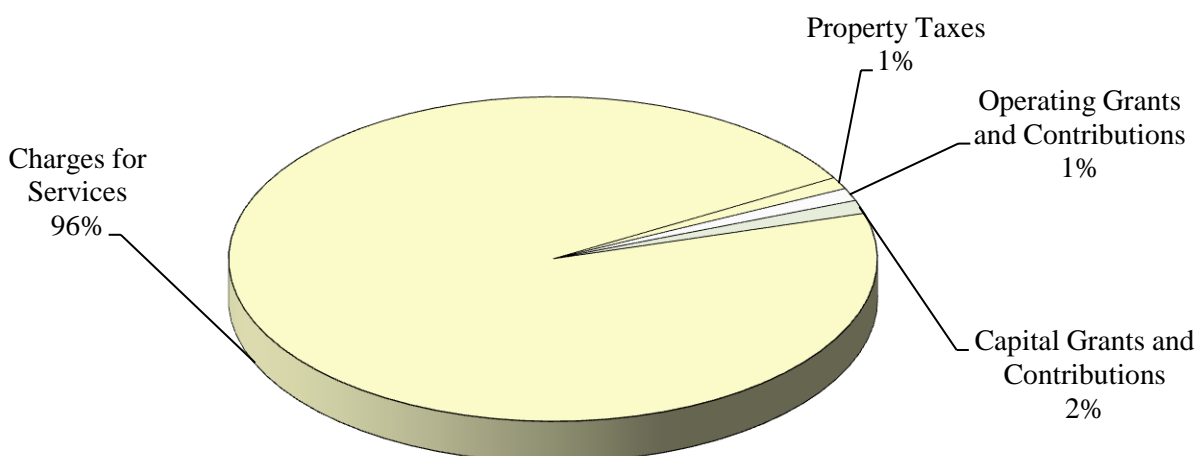
Business-Type Activities

Revenues exceeded expenses for the City's business-type activities in fiscal year 2013. Total revenues were \$39.2 million and total expenses were \$31.7 million while equity transfers were \$0.2 million that added \$7.8 million to the Business-Type's net financial position. This increased the net position of the business-type activities from \$141 million to \$148.8 million by the end of fiscal year 2013. Comparatively, Business-Type Revenues exceeded prior year Business-Type Revenues by 6.79% or \$2.5 million. Revenues for fiscal year 2013 were \$39.2 million and revenues for fiscal year 2012 were \$36.6 million. Expenses for fiscal year 2013 were \$31.7 million before equity transfers of \$0.2 million and expenses for fiscal year 2012 were \$30.0 million before equity transfers of \$(0.4) million. The increase in net position was primarily the result of the activity of the City's Water & Sewer Fund as the financial results of the City's other Business-Type Funds, Law Enforcement Center Fund, and Drainage Utility Fund, for fiscal year 2013 were comparable to the results of fiscal year 2012.

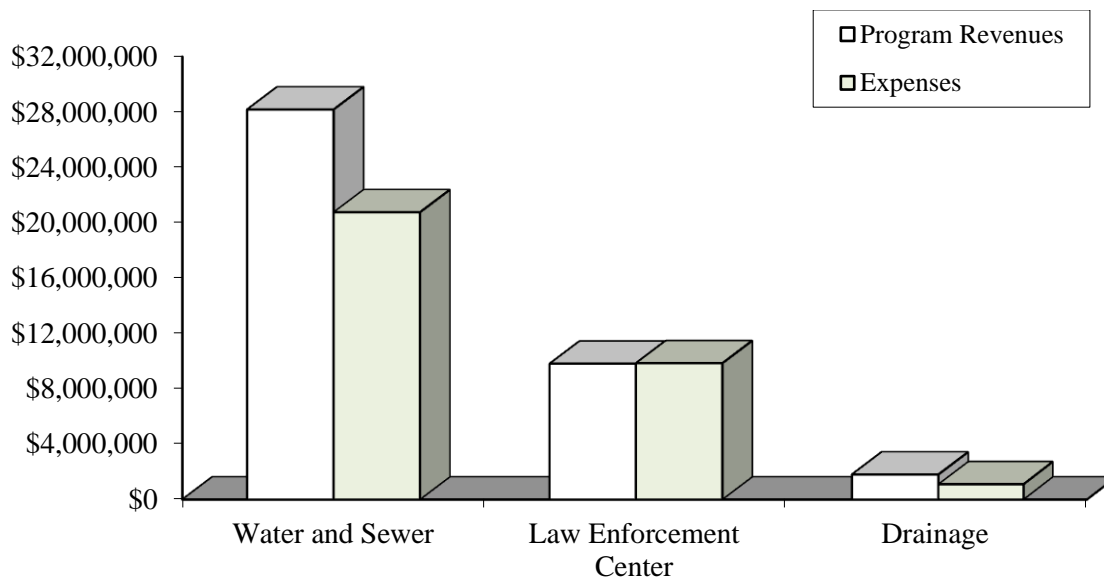
Capital contributions have been a revenue source for the Business-Type Activities. These capital contributions are from the public improvements donated by developers. The City requires developers to pay for the cost of public improvements or infrastructure needed to support their developments, and in fiscal year 2013, developers contributed public improvements or assets of \$531,674. These assets are considered revenue in the year of acceptance or in the year of contribution. Generally, these capital contributions are non-cash contributions from developers and are in the form of water and sewer lines and conveyed to the City as the developer finishes out the developments.

The other significant revenue in the business-type activities is a property tax that is levied through the taxing authority of the City. The purpose of this levy is to pay debt for the construction costs of the City's Law Enforcement Center Fund. The City's Law Enforcement Center charges a fee for the Services rendered to support the contracts that the City has with other governmental agencies for the housing of inmates. These fees are recognized as Charges for Services in the Business-Type Activities and are used to pay for the cost of housing inmates in this Business-Type Activity.

Business-Type Activities – Revenues by Source for fiscal year ending 2013



Business-Type Activities - Program Revenues and Expenses for fiscal year ending 2013



Financial Analysis of the Government's Funds

As discussed earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$28,582,802, a decrease of \$(2,203,591) in comparison with the prior year. The decrease is from the use of funds on capital projects that are ultimately capitalized. Approximately 37.06% of the ending fund balance of \$28,582,802 is \$10,594,113 which constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of fund balance is dedicated for specifically legally committed and spendable purposes to indicate that it is not available for new spending because it has already been committed 1) to liquidate prepaid expenses and inventory items, \$71,327; 2) to pay debt service or for future construction contracts, \$15,175,884; 3) to pay for committed purposes, \$2,690,719, such as park improvement; and 4) to pay for assigned purposes, \$50,759, such as capital improvements and land acquisition for the general fund.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, fund balance of the general fund was \$10,604,212. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 26.94% of total general fund expenditures.

The City's unassigned fund balance increased \$706,796 in fiscal year 2013 while the fund balance of the City increased \$32,753 during the fiscal year 2013. The key reason for the increases are as follows:

- Actual revenues exceeded actual expenditures by \$13,311. The City spent \$1,240,338 on land in fiscal year 2013. These costs are recognized as an expense and included in the actual expenditures of fiscal year 2013. The City acquired the land with the intent of using the land for improving and revitalizing the City's historic downtown area. Actual revenues exceeded actual expenditures without the land acquisition by \$1,253,649. Although the City spent \$1,240,338 on land in fiscal year 2013, actual revenues still exceeded actual expenses in fiscal year 2013 by \$13,311.
- Other Sources of revenue included the Water and Sewer Utility Fund's payment in-lieu of taxes to the City's General Fund for the use of the City's right of way. This amount was \$810,532 in fiscal year 2013. The City also sold property for \$259,453. These sources of \$1,069,985 were offset by an equity transfer of \$1,050,543 to the City's Law Enforcement Center for the purpose of prefunding or advance funding obligations of the Law Enforcement Center. The City elected to fund the obligations in fiscal 2013 in advance of due date to free up future General Fund operating revenue for capital projects. The City's net position was essentially unchanged in year over year comparison as the City created the opportunity for future economic development and future revenue within the City.
- The City operating expenses increased because of the City's goal to maintain a quality workforce. Funds were spent to maintain the workforce and maintain the morale through the administration of compensation. The primary increases are in the City's Public Safety function as most of the employee group is in the City's Public Safety function. The City has maintained a conservative strategy in managing the human resources of the City. Overall, a few new personnel were added during fiscal year 2013 and personnel costs were managed and funded based on demand for services.

The debt service fund has a fund balance of \$596,142, which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$(72,817). The decrease is from the City budgeting to spend debt reserves. The City generally budgets to maintain a constant fund balance within the debt service fund during the fiscal year, and any excess collection in a year is generally spent or used in the following year. The City pays for tax-pledged debt through the Debt Service Fund, except for an amount of debt that is paid through the City's Law Enforcement Center. For budgetary purposes and compliance with the statutory reporting requirements, the City discloses the amount of debt paid by ad valorem taxes. The payment of the tax-pledged debt paid by ad valorem taxes for the Law Enforcement Center is recorded in the Law Enforcement Center Fund, a Proprietary Fund, and was in the amount of \$473,203 for fiscal year 2013.

The street construction's fund balance decreased by \$(1,683,288) during fiscal year 2013. This fund's fund balance decreased as a result of construction payments of \$7,847,051 for the improvement of major streets and neighborhood streets in and throughout the City. Other activity within the street construction fund included additional revenues from development fees charged by the City for the impact or costs that new development has on primary streets within the City. This fee generated \$1,362,212 in fiscal year 2013.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position (deficit) of the Water and Sewer Fund at the end of the year amounted to \$23,060,462, those for the Law Enforcement Center amounted to \$187,839, and those for the Drainage Utility Fund amounted to \$1,743,746. Factors affecting the performance of these activities are as follows:

- The City treats lake water and sells it to consumers for a fee. In fiscal year 2013, Water and Sewer revenue increased \$466,776 or 2%. The increase is attributable to new connects to the system in fiscal year 2013. Weather influences the system's revenue. Fiscal year 2013 was a fairly normal year in the

North Texas area as the temperatures were considered to be average. The result was a fairly consistent year in Water and Sewer revenue for the City. Weather extremes can test the City's ability to produce water for consumption and it can test the system's ability to finance the infrastructure to supply the water to meet the demand of the consumer. A wet year creates less demand for water, which creates less revenue to support the cost of financing the infrastructure, which is built to supply the demand for water in a dry year.

- During fiscal year 2013, the City distributed 3.6 billion gallons of water while billing customers for 3.3 billion gallons of water usage or 92% of the actual plant's production. In fiscal year 2012, the City billed for 3.8 billion gallons of water usage compared to actual plant production of 4.0 billion. Actual water and sewer revenue in fiscal year 2013 increased compared to fiscal year 2012. Actual water and sewer revenue in 2013 was \$23.7 million compared to \$23.2 million in fiscal 2012. Demand for water increased in fiscal year 2013 because the total number of customers increased year over year by 501 new accounts. The water and sewer activity of the business-type activities produced operating income of \$10.2 million for fiscal year 2013 as compared to \$8.0 million in fiscal year 2012.
- Unrestricted net position increased in the Water and Sewer Fund by \$3,013,249. Operating expenses increased \$275,156 over last year, excluding depreciation. Operating expenses are controlled through the direct administration of personnel costs and variable costs, which are directly caused by consumer's demand for the water. The City spent \$3,544,949 for raw water in fiscal year 2013 compared to \$3,355,981 in fiscal year 2012 and the City spent \$4,112,368 to treat the City wastewater in fiscal 2013 compared to \$3,817,163 in fiscal year 2012.
- The Law Enforcement Center Fund had operating loss of \$400,314 this fiscal year. The operating loss is attributable to the costs of operating a municipal jail, which are offset by property taxes and transfers from the General Fund, which pay for the City's portion of jail services.
- The Drainage Utility Fund revenue had operating income of \$913,690 this fiscal year. Drainage Fees approached \$1.3 million and expenses excluding depreciation and before debt service were \$797,607. The Fund recognized Loss on the Sale land in the amount of \$953,458 during the fiscal year. The loss is from the exchange of land to the MPFDC from the Drainage Fund. The Fund purchased nine residential properties within the City that were prone to flooding. The City worked with FEMA through the receipt of funds to purchase the properties and remediate the flooded properties.

Budgetary Highlights

General Fund

The City opted to compare the final budget to the actual amounts for comparative purposes. The differences can be briefly summarized as follows:

Revenue results exceeded budgeted estimates by \$1,754,472 for fiscal year ended 2013:

- Property Taxes fell below budgeted estimates by \$380,142 because original assessed valuation estimates were lower than final valuations as the ad valorem roll was finalized by the appraisal district after the adoption of the City's budget.
- Sales Taxes exceeded budgeted projections by \$274,345 as the effects of the national economy loosened its hold on consumer spending in Mansfield, Texas, during fiscal 2013. New development occurred in 2013 that created new sales tax collections as well.
- Licenses and permits fell below budgeted estimates by \$293,150. The City realized a slowdown in residential development resulting from the housing market recession that rippled through the U.S. economy during fiscal year 2009 and 2010. The City aggressively budgeted building permit revenue

in anticipation of the residential building market recovery. Budgeted estimates exceeded actual result for fiscal year 2013.

- Expenditures were 105.42% of budgeted estimates for fiscal year ended 2013. The City spent \$1,240,338 for land that was not budgeted. The purpose of the acquisition of property is to revitalize the City's historic downtown. The additionally expenditures were attributable to the increase in the cost of public safety. The cost of hiring new firefighters coupled with more compensation increased the cost of labor in the public safety program of the City in fiscal year 2013. Management has been very effective in maintaining morale and improving services within the City while maintaining and keeping the within its overall budget.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounts to \$475,053,165 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

City's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$94,605,319	\$92,748,243	\$2,026,739	\$3,030,197	\$96,632,058	\$95,778,440
Buildings and system	54,206,918	55,352,708	115,782,986	116,989,717	169,989,904	172,342,425
Improvements	5,474,788	6,446,345	2,528,639	2,540,282	8,003,427	8,986,627
Machinery and equipment	5,039,983	4,474,046	668,195	643,552	5,708,178	5,117,598
Infrastructure	143,267,847	144,191,841	34,503,178	34,907,222	177,771,025	179,099,063
Construction in progress	8,975,852	7,316,444	7,972,721	4,111,448	16,948,573	11,427,892
Total	<u>\$311,570,707</u>	<u>\$310,529,627</u>	<u>\$163,482,458</u>	<u>\$162,222,418</u>	<u>\$475,053,165</u>	<u>\$472,752,045</u>

Governmental Capital Assets

Roadway expansion and improvements remain a primary element of the City's public works program. In 2013, several major arterial thoroughfares in the City were widened to provide access to Mansfield's developing retail centers. Mansfield has leveraged future tax revenue with general obligation bonds and anticipated the collection of roadway impact fees to pay for an expected \$58 million in new street improvements over the next 10 years.

Street projects in fiscal year 2013:

- The City has been improving and building Broad Street from eastern boundary to its western boundary for many years. Fiscal year 2013, included significant construction improvements to Broad Street on its western end and eastern end. Broad Street is a major road that connects the City's eastern and western boundaries.
- Several small arterial streets are under construction and design throughout neighborhoods.
- In total, the City spent \$7,847,051 in street improvements and related work during fiscal year 2013.

Most of the capital assets that were added to construction in progress or the asset base of the City during fiscal year 2013 were planned or budgeted expenditures during fiscal year 2013. The City plans its asset expansion with deliberate budgetary control and oversight as these costs are substantial and have a significant effect on the operational cost and ultimately performance of the City.

Business-Type Assets

The City's municipally owned and operated water and sewer system has maintained its superior rating by the Texas Commission on Environmental Quality. Approximately 20% of the City's more than \$78.5 million water/sewer improvement tab is expected to be paid by impact fees over the next ten years. These fees are designed to reduce the system's initial costs in building and running water and sewer lines to the user. These impact fees must be used for capital purposes and are restricted as to use by law.

The City's drainage program, which consists of \$18.5 million in improvements scheduled over the next 20 years, had some improvements this year, which were mostly related to soft costs coupled with improving and building detention basins. The City has spent over \$7.5 million on the drainage improvements as of September 30, 2013 and has over \$963,834 in the construction in progress stage.

For additional information on the City's capital assets, see note IV.C. of the basic financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total principal outstanding of \$173,690,000. Of this amount, \$92,695,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City's Component Unit, Mansfield Economic Development Corporation, MEDC, has \$11,755,000 in outstanding debt backed by a voter passed sales tax.

City's Outstanding Debt - Tax Obligations and Revenue Bonds

	Governmental Activities	Business-Type Activities	Component Unit MEDC	Total 2013
Security Instrument:				
Tax obligation bonds	\$91,070,000	\$1,625,000	\$ -	\$ 92,695,000
Sales tax revenue bonds	11,430,000	-	11,755,000	23,185,000
Revenue bonds	-	57,810,000	-	57,810,000
Total	<u>\$ 102,500,000</u>	<u>\$ 59,435,000</u>	<u>\$11,755,000</u>	<u>\$173,690,000</u>

The City's total debt decreased (\$8,100,000) or 4.46% during the current fiscal year. Key factors for the decrease are from the issuance of additional bonds and refunding bonds, which were offset by principal payments on existing outstanding debt. The City issued \$5,335,000 in new bonds proceeds and issued \$7,080,000 in refunding bonds. The City maintains bond ratings from three investment houses:

Company	General Fund Bonds	Water and Sewer Revenue Bonds	Sales Tax Revenue Bonds	Drainage Revenue Bonds
Moody's	"Aa2"	"Aa2"	"Aa3"	"Aa2"
Standard & Poor's	"AA+"	"AA"	"A"	"AA-"
Fitch	"AA"	"AA"	"AA-"	"AA"

For additional information on the City's debt obligations, see note IV.E. in the basic financial statements.

The City Charter of the City and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 populations, limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation. The City operates under a Home Rule Charter, which also imposes a limit of \$2.50. The FY 2012/2013 Property Tax Rate was \$0.71000 per \$100 valuation with a tax margin of \$1.79000 per \$100 valuation based upon the maximum ad valorem tax rate noted above. Additional revenues up to \$80,364,115 per year could be raised before reaching the maximum allowable tax base on the current year's appraised net taxable value of \$4,489,615,347.

Economic Factors: Next Year's Budgets and Rates

The City Economy

- New residential construction is expected to add 615 units with approximately 235 single-family units in 2014. The City has seen a decline in building activity over the past several years; however, development is still occurring within the City. During the budget process for the 2014 fiscal year, the City maintained the building services-related revenue with expectations similar to that of 2013. The City's tax year is one year in arrears thus the housing starts in calendar year 2012 are for budget year or fiscal year 2014.
- The City's annual growth in property valuation has increased 13% annually on average for the past ten years. For fiscal years 2014 and 2015, the City's valuations are expected to increase 3% and 3%, respectively. Generally, the City has experienced the effect of the residential marketplace, although property valuations are expected to improve in fiscal 2014 and into 2015. The improvements are expected because of limited residential inventory, and the fact that the City is a good place to live as crime is low, school ratings are fairly high; land is affordable and the City's proximity to Dallas and Fort Worth. The City is developing a discernable and identifiable character of being a place to enjoy a life and a good quality life. These intangible characteristics developed fairly recently - over the last decade. Also, the City is seeing the continued demand for commercial development because of the significant discretionary spend of the residents and the relatively stable economy within the City.
- In years past, sales tax revenue grew in excess of 10% annually; like property valuations, the City has adjusted its projections of anticipated sales tax receipts in 2014 and 2015. The expected budgeted sales tax receipts in 2014 are better than anticipated actual collections in 2013 by 8% as a national discount chain is expected to open in fiscal 2014. The City is expecting fiscal year 2015 to increase 5% above budgeted estimates for 2014. Management is monitoring the collections of sales tax revenue and may modify projections into 2015 depending upon the overall economy.
- Retail developments and improvements continue into 2014 and 2015. The challenge has been the effect of the national economy and the ability of companies and businesses to obtain capital financing. The City is taking an aggressive position in continuing development in the City because of the support for continued retail development and the community's expectation to support additional retail. The City is offering development incentives - that is partnering with developers to pay for public infrastructure to offset lending costs of developers because of the credit or lending industry. Development is expected to continue and new property valuations are expected from these developments.
- Median income continues to be an attractive asset for additional development and many in the development community are planning on capturing this income through commercial developments.
- The City benefits from its strategic location, which is approximately 20 miles from Fort Worth and 32 miles from Dallas.
- The City has developed stringent building code standards that require sustainable developments to assist in extending the asset life of the tax base into the future.

These variables were considered in preparing the City's budget for the 2014 fiscal year.

The City's 2014 General Fund Operating Revenue Budget increased approximately 9% or \$3.5 million over the fiscal year 2013 budget. Most of this revenue growth was from new commercial development in the City that generated additional property tax and sales tax of almost \$2.7 million coupled with the continued improvement in the residential permit activity into 2014. The tax rate was held constant in 2014 at \$0.71 per \$100 in assessed valuation of property within the City limits. Unassigned fund balance is expected to grow over fiscal year 2013. Any additional appropriations made during fiscal year 2014 will be offset through the management of the operating expenditures of the General Fund during the course of fiscal year 2014.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Business Services, City of Mansfield, 1200 E. Broad Street, Mansfield, Texas 76063.

City of Mansfield
Statement of Net Position
As of September 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	MEDC
ASSETS				
Cash and cash equivalents	\$ 32,299,091	\$ 24,571,377	\$ 56,870,468	\$ 5,067,035
Receivables (net of allowance for uncollectibles)	2,701,367	4,683,762	7,385,129	320,183
Lease receivable	1,026,111	-	1,026,111	-
Inventories	61,228	243,603	304,831	-
Prepays	10,099	-	10,099	-
Deferred issuance costs	2,295,472	969,044	3,264,516	260,515
Restricted assets:				
Cash and cash equivalents	-	18,107,759	18,107,759	6,581,530
Capital assets (net of accumulated depreciation):				
Land	94,605,319	2,026,739	96,632,058	6,865,506
Buildings and systems	54,206,918	115,782,986	169,989,904	-
Improvements other than buildings	5,474,788	2,528,639	8,003,427	102,400
Machinery and equipment	5,039,983	668,195	5,708,178	-
Infrastructure	143,267,847	34,503,178	177,771,025	-
Construction in progress	8,975,852	7,972,721	16,948,573	1,885,895
Total assets	<u>349,964,075</u>	<u>212,058,003</u>	<u>562,022,078</u>	<u>21,083,064</u>
LIABILITIES				
Accounts payable and other current liabilities	6,451,415	896,517	7,347,932	97,442
Liabilities payable from restricted assets	-	2,418,646	2,418,646	-
Noncurrent liabilities:				
Due within one year	10,151,541	5,028,723	15,180,264	746,327
Due in more than one year	98,604,134	54,936,828	153,540,962	10,958,181
Total liabilities	<u>115,207,090</u>	<u>63,280,714</u>	<u>178,487,804</u>	<u>11,801,950</u>
NET POSITION				
Invested in capital assets, net of related debt	211,269,350	105,677,483	316,946,833	3,991,338
Restricted for:				
Debt Service	290,757	4,300,627	4,591,384	-
Capital Projects	15,229,451	13,807,132	29,036,583	-
Unrestricted	7,967,427	24,992,047	32,959,474	5,289,776
Total net position	<u>\$ 234,756,985</u>	<u>\$ 148,777,289</u>	<u>\$ 383,534,274</u>	<u>\$ 9,281,114</u>

The notes to the financial statements are an integral part of this statement.

City of Mansfield
Statement of Activities
For the Year Ended September 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
			Operating	Capital	Primary Government			Component Unit
		Charges for	Grants and	Grants and	Governmental	Business-type		
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	MEDC
Primary government:								
Governmental activities:								
General government	\$ 8,397,239	\$ 4,992,904	\$ -	\$ -	\$ (3,404,335)	\$ -	\$ (3,404,335)	\$ -
Public safety	24,725,424	2,789,420	158,669	-	(21,777,335)	-	(21,777,335)	-
Public Works	14,851,816	2,215,848	-	244,787	(12,391,181)	-	(12,391,181)	-
Culture and recreation	8,281,150	1,551,667	28,734	-	(6,700,749)	-	(6,700,749)	-
Interest on long-term debt	4,316,586	-	-	-	(4,316,586)	-	(4,316,586)	-
Total governmental activities	60,572,215	11,549,839	187,403	244,787	(48,590,186)	-	(48,590,186)	-
Business-type activities:								
Water	15,838,244	19,577,424	-	531,674	-	4,270,854	4,270,854	-
Sewer	4,913,513	8,600,592	-	-	-	3,687,079	3,687,079	-
Law enforcement center	9,836,118	9,321,921	-	-	-	(514,197)	(514,197)	-
Drainage	1,102,557	1,302,214	505,123	-	-	704,780	704,780	-
Total business-type activities	31,690,432	38,802,151	505,123	531,674	-	8,148,516	8,148,516	-
Total primary government	\$ 92,262,647	\$ 50,351,990	\$ 692,526	\$ 776,461	\$ (48,590,186)	\$ 8,148,516	\$ (40,441,670)	\$ -
Component units:								
MEDC	3,966,512	175	-	-	-	-	-	(3,966,337)
Total component units	\$ 3,966,512	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,966,337)
General revenues:								
Property taxes					31,389,240	473,203	31,862,443	-
Sales taxes					12,195,898	-	12,195,898	4,065,299
Franchise taxes					3,476,958	-	3,476,958	-
Mixed drink taxes					107,223	-	107,223	-
Hotel/Motel taxes					551,138	-	551,138	-
Unrestricted investment earnings					32,168	43,299	75,467	9,214
Gas royalty income					787,854	-	787,854	3,010
Gain (loss) on sale of capital assets					250,425	(953,458)	(703,033)	(508,576)
Transfers					(226,157)	226,157	-	-
Total general revenues					48,564,747	(210,799)	48,353,948	3,568,947
Change in net position					(25,439)	7,937,717	7,912,278	(397,390)
Net position beginning					234,782,424	140,839,572	375,621,996	9,678,504
Net position ending					\$ 234,756,985	\$ 148,777,289	\$ 383,534,274	\$ 9,281,114

**City of Mansfield
Balance Sheet
Governmental Funds
As of September 30, 2013**

	General	Debt Service	Street Construction	Building Construction	TIRZ #1	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash, cash equivalents, and investments	\$ 11,595,889	\$ 596,142	\$ 8,095,331	\$ 650,148	\$ 1,178,141	\$ 10,183,440	\$ 32,299,091
Receivables (net of allowance for uncollectibles)	1,850,761	81,955	850	-	-	767,801	2,701,367
Due from other funds	417,407	-	-	-	-	-	417,407
Inventory	-	-	-	-	-	61,228	61,228
Prepays	10,099	-	-	-	-	-	10,099
Total assets	<u>\$ 13,874,156</u>	<u>\$ 678,097</u>	<u>\$ 8,096,181</u>	<u>\$ 650,148</u>	<u>\$ 1,178,141</u>	<u>\$ 11,012,469</u>	<u>\$ 35,489,192</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,211,261	\$ -	\$ 1,333,208	\$ 2,252	\$ -	723,856	3,270,577
Due to other funds	-	-	-	217,407	-	200,000	417,407
Accrued liabilities	1,522,261	-	591,347	-	-	69,904	2,183,512
Retainage payable	-	-	176,072	-	-	178,833	354,905
Deferred revenue	536,422	81,955	-	-	-	61,612	679,989
Total liabilities	<u>3,269,944</u>	<u>81,955</u>	<u>2,100,627</u>	<u>219,659</u>	<u>-</u>	<u>1,234,205</u>	<u>6,906,390</u>
Fund balances:							
Nonspendable	10,099	-	-	-	-	61,228	71,327
Restricted	-	596,142	5,995,554	430,489	1,178,141	6,975,558	15,175,884
Committed	-	-	-	-	-	2,690,719	2,690,719
Assigned	-	-	-	-	-	50,759	50,759
Unassigned	10,594,113	-	-	-	-	-	10,594,113
Total fund balances	<u>10,604,212</u>	<u>596,142</u>	<u>5,995,554</u>	<u>430,489</u>	<u>1,178,141</u>	<u>9,778,264</u>	<u>28,582,802</u>
Total liabilities and fund balances	<u>\$ 13,874,156</u>	<u>\$ 678,097</u>	<u>\$ 8,096,181</u>	<u>\$ 650,148</u>	<u>\$ 1,178,141</u>	<u>\$ 11,012,469</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	311,570,707
Lease receivables in the governmental activities are not financial resources and, therefore, are not reported in the funds.	1,026,111
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	679,989
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(107,102,624)
Net position of governmental activities	<u>\$ 234,756,985</u>

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2013

	General	Debt Service	Street Construction	Building Construction	TIRZ #1	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Property	\$ 19,770,547	\$ 11,104,266	\$ -	\$ -	\$ 489,813	\$ -	\$ 31,364,626
Sales	8,130,599	-	-	-	-	4,065,299	12,195,898
Franchise	3,476,958	-	-	-	-	-	3,476,958
Mixed drink	107,223	-	-	-	-	-	107,223
Hotel/motel	-	-	-	-	-	551,138	551,138
Licenses and permits	1,271,850	-	-	-	-	710,528	1,982,378
Intergovernmental	131,216	-	-	-	-	-	131,216
Charges for services	3,526,534	-	-	-	-	1,067,876	4,594,410
Fines	2,466,430	-	-	-	-	179,013	2,645,443
Interest earnings	11,715	631	6,549	64	1,853	11,356	32,168
Contributions and donations	14,500	-	-	-	-	41,687	56,187
Impact fees	-	-	1,362,212	-	-	414,721	1,776,933
Miscellaneous	473,613	-	706,517	-	36,851	81,548	1,298,529
Total revenues	<u>39,381,185</u>	<u>11,104,897</u>	<u>2,075,278</u>	<u>64</u>	<u>528,517</u>	<u>7,123,166</u>	<u>60,213,107</u>
EXPENDITURES							
Current:		-					
General government	6,149,829	-	18,191	-	138,000	1,201,418	7,507,438
Public safety	22,892,027	-	-	162,268	-	224,855	23,279,150
Public works	4,868,194	-	-	-	-	-	4,868,194
Culture and recreation	3,936,716	-	-	-	-	2,358,547	6,295,263
Debt service:							
Principal	-	7,125,000	-	-	-	750,000	7,875,000
Interest	-	3,873,302	-	-	-	488,918	4,362,220
Fiscal charges	-	176,590	-	-	-	-	176,590
Bond issuance cost	-	154,262	73,343	-	-	18,404	246,009
Capital outlay:							
Land	1,240,338	-	-	-	-	841,309	2,081,647
Highways and streets	-	-	7,847,051	-	633,781	-	8,480,832
Buildings	-	-	-	-	-	28,740	28,740
Equipment	280,770	-	-	-	-	1,204,520	1,485,290
Parks	-	-	-	-	-	1,661,104	1,661,104
Total expenditures	<u>39,367,874</u>	<u>11,329,154</u>	<u>7,938,585</u>	<u>162,268</u>	<u>771,781</u>	<u>8,777,815</u>	<u>68,347,477</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,311</u>	<u>(224,257)</u>	<u>(5,863,307)</u>	<u>(162,204)</u>	<u>(243,264)</u>	<u>(1,654,649)</u>	<u>(8,134,370)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	810,532	-	130,000	-	-	1,348,003	2,288,535
Transfers out	(1,050,543)	-	-	-	-	(1,464,149)	(2,514,692)
Sale of city property	259,453	-	-	-	-	54,296	313,749
Refunding bonds issued	-	7,080,000	-	-	-	-	7,080,000
Bonds issued	-	-	3,764,833	500,000	-	1,070,167	5,335,000
Premium on bonds issued	-	539,046	313,927	-	-	78,773	931,746
Discounts on bonds issued	-	(47,606)	(28,741)	-	-	(7,212)	(83,559)
Payment to refunded bond escrow agent	-	(7,420,000)	-	-	-	-	(7,420,000)
Total other financing sources and uses	<u>19,442</u>	<u>151,440</u>	<u>4,180,019</u>	<u>500,000</u>	<u>-</u>	<u>1,079,878</u>	<u>5,930,779</u>
Net change in fund balances	<u>32,753</u>	<u>(72,817)</u>	<u>(1,683,288)</u>	<u>337,796</u>	<u>(243,264)</u>	<u>(574,771)</u>	<u>(2,203,591)</u>
Fund balances - beginning	<u>10,571,459</u>	<u>668,959</u>	<u>7,678,842</u>	<u>92,693</u>	<u>1,421,405</u>	<u>10,353,035</u>	<u>30,786,393</u>
Fund balances - ending	<u>\$ 10,604,212</u>	<u>\$ 596,142</u>	<u>\$ 5,995,554</u>	<u>\$ 430,489</u>	<u>\$ 1,178,141</u>	<u>\$ 9,778,264</u>	<u>\$ 28,582,802</u>

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances total governmental funds	\$ (2,203,591)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	859,617
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	181,463
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Lease revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenue in the funds.	40,000
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	24,612
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the treatment of long-term debt and related items.	1,072,460
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Changes in net position of governmental activities	<u><u>\$ (25,439)</u></u>
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The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Net Position
Proprietary Funds
September 30, 2013

	Business-Type Activities Enterprise Funds			
	Water and Sewer	Law Enforcement Center	Drainage Utility	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 22,197,418	\$ 1,024,903	\$ 1,349,056	\$ 24,571,377
Accounts receivable (net of allowance for uncollectibles)	3,916,584	283,489	483,689	4,683,762
Inventories	225,471	18,132	-	243,603
Current assets	26,339,473	1,326,524	1,832,745	29,498,742
Current restricted assets:				
Cash and cash equivalents	17,577,833	117,373	412,553	18,107,759
Total current assets	43,917,306	1,443,897	2,245,298	47,606,501
Noncurrent assets:				
Deferred charges	772,115	29,250	167,679	969,044
Capital assets:				
Land	138,191	234,528	1,654,020	2,026,739
Buildings and systems	180,846,525	7,363,784	4,793,111	193,003,420
Improvements other than buildings	62,818	2,651,815	-	2,714,633
Machinery and equipment	2,238,231	1,116,109	137,512	3,491,851
Construction in progress	7,008,887	-	963,834	7,972,721
Less accumulated depreciation	(40,659,096)	(4,405,185)	(662,626)	(45,726,907)
Total capital assets (net of accumulated depreciation)	149,635,556	6,961,051	6,885,851	163,482,458
Total noncurrent assets	150,407,671	6,990,301	7,053,530	164,451,502
Total assets	194,324,977	8,434,198	9,298,828	212,058,003
LIABILITIES				
Current liabilities:				
Accounts payable	368,567	98,385	11,037	477,989
Compensated absences	152,926	195,797	-	348,723
Accrued liabilities	132,281	279,507	6,740	418,528
Current liabilities	653,774	573,689	17,777	1,245,240
Current liabilities payable from restricted assets:				
Customer deposits payable	1,306,170	-	-	1,306,170
Revenue bonds payable	3,820,000	-	370,000	4,190,000
Certificates of obligation payable	-	490,000	-	490,000
Accrued interest payable	415,553	13,111	26,112	454,776
Accounts payable	290,361	8,677	17,284	316,322
Retainage payable	274,568	-	27,825	302,393
Accrued liabilities	14,706	24,279	-	38,985
Current liabilities payable from restricted assets	6,121,358	536,067	441,221	7,098,646
Total current liabilities	6,775,132	1,109,756	458,998	8,343,886
Noncurrent liabilities:				
Compensated absences	323,878	518,930	-	842,808
General obligation bonds payable (net of unamortized discounts)	-	1,154,203	-	1,154,203
Revenue bonds payable (net of deferred amount on refunding)	48,444,594	-	4,495,223	52,939,817
Total noncurrent liabilities	48,768,472	1,673,133	4,495,223	54,936,828
Total liabilities	55,543,604	2,782,889	4,954,221	63,280,714
NET POSITION (DEFICIT)				
Invested in capital assets (net of related debt)	98,143,078	5,346,097	2,188,308	105,677,483
Restricted for debt service	4,109,809	106,891	83,927	4,300,627
Restricted for capital projects	13,468,024	10,482	328,626	13,807,132
Unrestricted	23,060,462	187,839	1,743,746	24,992,047
Total net position	\$ 138,781,373	\$ 5,651,309	\$ 4,344,607	\$ 148,777,289

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2013

	Business-type Activities		Enterprise Funds	
	Law			
	Water and Sewer	Enforcement Center	Drainage Utility	Total
Operating revenues:				
Charges for sales and services:				
Water sales	\$ 15,053,456	\$ -	\$ -	\$ 15,053,456
Sewer charges	8,600,592	-	-	8,600,592
Drainage fees	-	-	1,294,057	1,294,057
Housing services	-	8,970,255	-	8,970,255
Other services	4,523,968	351,666	513,280	5,388,914
Total operating revenues	28,178,016	9,321,921	1,807,337	39,307,274
Operating expenses:				
Costs of sales and services	12,277,097	9,144,950	191,808	21,613,855
Administration	2,011,190	311,648	605,799	2,928,637
Depreciation	3,678,355	265,637	96,040	4,040,032
Total operating expenses	17,966,642	9,722,235	893,647	28,582,524
Operating income (loss)	10,211,374	(400,314)	913,690	10,724,750
Nonoperating revenues (expenses):				
Interest earnings	42,861	3	435	43,299
Interest expense	(2,785,115)	(113,883)	(208,910)	(3,107,908)
Property tax revenue	-	473,203	-	473,203
Total nonoperating revenue (expenses)	(2,742,254)	359,323	(208,475)	(2,591,406)
Income before contributions and transfers	7,469,120	(40,991)	705,215	8,133,344
Capital contributions	531,674	-	-	531,674
Loss on sale of assets	-	-	(953,458)	(953,458)
Transfers in (out)	(810,532)	1,036,689	-	226,157
Change in net position	7,190,262	995,698	(248,243)	7,937,717
Total net position - beginning	131,591,111	4,655,611	4,592,850	140,839,572
Total net position- ending	\$ 138,781,373	\$ 5,651,309	\$ 4,344,607	\$ 148,777,289

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Law Enforcement Center	Drainage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customer and users	\$ 27,830,480	\$ 9,414,358	\$ 1,487,581	\$ 38,732,419
Payments to suppliers	(10,092,942)	(1,635,652)	(735,821)	(12,464,415)
Payments to employees	(3,743,262)	(7,761,526)	(176,208)	(11,680,996)
Net cash provided by operating activities	<u>13,994,276</u>	<u>17,180</u>	<u>575,552</u>	<u>14,587,008</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property tax revenue	-	473,203	-	473,203
Transfer to/from other funds	(810,532)	1,036,689	-	226,157
Net cash provided (used) by capital and related financing activities	<u>(810,532)</u>	<u>1,509,892</u>	<u>-</u>	<u>699,360</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(5,305,723)	-	(315,884)	(5,621,607)
Principal paid on capital debt	(3,700,000)	(465,000)	(360,000)	(4,525,000)
Interest paid on capital debt	(2,611,729)	(102,844)	(165,670)	(2,880,243)
Net cash (used) in capital and related financing activities	<u>(11,617,452)</u>	<u>(567,844)</u>	<u>(841,554)</u>	<u>(13,026,850)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	42,861	3	435	43,299
Net cash provided by investing activities	<u>42,861</u>	<u>3</u>	<u>435</u>	<u>43,299</u>
Net increase (decrease) in cash and cash equivalents	<u>1,609,153</u>	<u>959,231</u>	<u>(265,567)</u>	<u>2,302,817</u>
Cash and cash equivalents, October 1	<u>38,166,098</u>	<u>183,045</u>	<u>2,027,176</u>	<u>40,376,319</u>
Cash and cash equivalents, September 30 (including \$17,577,833; \$199,908; and \$412,553 for the Water and Sewer fund, Law Enforcement Center, and Drainage Utility fund, respectively, reported in restricted accounts)	<u>\$ 39,775,251</u>	<u>\$ 1,142,276</u>	<u>\$ 1,761,609</u>	<u>\$ 42,679,136</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 10,211,374	\$ (400,314)	\$ 913,690	\$ 10,724,750
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	3,678,355	265,637	96,040	4,040,032
(Increase) decrease in accounts receivable	(347,535)	92,437	(319,756)	(574,854)
(Increase) decrease in inventories	30,631	(1,785)	-	28,846
Increase (decrease) in accounts payable	421,451	61,205	(114,422)	368,234
Total adjustments	<u>3,782,902</u>	<u>417,494</u>	<u>(338,138)</u>	<u>3,862,258</u>
Net cash provided by operating activities	<u>\$ 13,994,276</u>	<u>\$ 17,180</u>	<u>\$ 575,552</u>	<u>\$ 14,587,008</u>
Noncash capital activities:				
Contributions of capital assets from developers	\$ 531,674	\$ -	\$ -	\$ 531,674

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2013

	<u>Agency</u>
ASSET	
Cash and cash equivalent	\$ 924,670
Total assets	<u>\$ 924,670</u>
 LIABILITIES	
Insurance payable	\$ 924,670
Total liabilities	<u>\$ 924,670</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MANSFIELD, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

I. Summary of Significant Accounting Policies

The financial statements of the City of Mansfield, Texas (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

New Pronouncements

For fiscal year 2013, the City implemented the following statements issued by GASB.

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements issued in November 2010. This Statement is effective for fiscal periods beginning after December 15, 2011 and had no impact on the City's financial statements.

GASB Statement Number 61, *"The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34"* This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination. The Statement also amends the criteria for blending component units and provides additional guidance for blending a component unit if the primary government is a business-type activity and clarifies the reporting of equity interests in 42 legally separate organizations. The implementation of this statement did not result in any changes to the financial statements.

In December 2010, GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The objective of this Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain pronouncements issued on or before November 30, 1989. The implementation of this statement had no impact on the City's financial statements.

GASB Statement Number 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The implementation of this statement did not result in any financial changes to the financial statements. The changes classified net assets as net position and created deferred outflows of resources and deferred inflows of resources. The City has no deferred inflows of resources or deferred outflows of resources as of September 30, 2013.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member Council. As required by GAAP, these financial statements present the City and its component units, for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data from the

primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

Mansfield Park Facilities Development Corporation (MPFDC) - The MPFDC board of directors is appointed by the City Council, and the City management maintains significant continuing management responsibility with respect to MPFDC policies. Additionally, the City is ultimately responsible for MPFDC fiscal matters. The MPFDC provides services exclusively to the City (i.e., the MPFDC constructs capital assets on behalf of the City). The MPFDC does not issue separate financial statements and the MPFDC is included in the other governmental funds.

Mansfield Tax Increment Financing Reinvestment Zone Number One (TIRZ) - The City and the City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of the TIRZ. The TIRZ board of directors is a seven-member board; four members of the board of directors are members of the City's Council with the remaining three board members appointed by the participating entities of the TIRZ unless the participating entity waives its right to board membership, which at such time the City may appoint a member in its stead. Two Counties, Tarrant, and Ellis County, participate in the City's TIRZ as it is a 3,100-acre tract of land that is in three Counties. The TIRZ does not issue separate financial statements, as the TIRZ is included as a major fund of the City. The TIRZ was established in December 2006 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ, which are owned and maintained by the City.

Mansfield Tax Increment Financing Reinvestment Zone Number Two (TIRZ) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ. The TIRZ board of directors is a five-member board; four members of the board of directors are members of the City's Council with the remaining board member appointed by Tarrant County the other participating entity. This TIRZ was established to revitalize the City's Historic Downtown area, which includes 317 developed acres. The TIRZ does not issue separate financial statements, as the TIRZ is included as a major fund of the City. The TIRZ was established in December 2012 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ, which will be owned and maintained by the City.

Discretely Presented Component Unit

Mansfield Economic Development Corporation (MEDC) – In 1997, the voters passed an additional 1/2 cent sales tax to fund an aggressive economic development program and provide financial incentives, infrastructure needs, and tax relief in the recruitment and retention of industry. Although the City Council appoints all board members, none of the board members are currently City Council members or City employees. In addition, City management maintains significant continuing management responsibility with respect to MEDC financial matters. Although the MEDC financial matters are ratified or denied by the City, the City is not legally entitled to the MEDC resources or is it legally obligated for the indebtedness of the MEDC. The MEDC provides financial incentives to business and industry as permitted by statute and does not provide services entirely or almost entirely to the City and does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated

from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The previous reporting model emphasized fund types (the total of all funds of a particular type); in the reporting model as defined by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the focus is either the City as a whole or major individual fund (within the fund financial statements).

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, interest income, etc.).

Separate fund-based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, street construction fund, building construction fund, and TIRZ fund. The major enterprise funds are the water and sewer fund, the law enforcement center fund, and the drainage utility fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds along with other qualitative factors. The non-major funds are combined in a separate column in the fund financial statements. The non-major funds are detailed in the combining section of the statements.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary fund (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are presented using the accrual basis of accounting, as are

the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers ad valorem tax, sales tax, hotel/motel tax, mixed drink tax, and investment earnings to be available if they are collected within 60 days of the end of the current fiscal period. Franchise tax revenues are considered to be available if collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and will be paid shortly after year-end (not to exceed one month).

Licenses and permits, charges for services, fines, contributions and donations, impact fees, and miscellaneous revenues are recorded as revenues when received in cash, as the amounts are typically not known until received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, as soon as all eligibility requirements have been met, moneys must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if all eligibility requirements are met.

A portion of the City's revenues are derived from developer contributions. The effect of these transactions, recorded as revenue, in the City's water and sewer funds was significant. Developer's contributions of \$531,674 are recorded as nonoperating revenue in the water and sewer fund financial statements. These amounts represent revenues from nonexchange transactions during the fiscal year. For reporting non-exchange transactions for the governmental activities, in the government-wide financial statements on the accrual basis of accounting, the revenues are recorded as capital contributions program revenue, which totaled \$244,787.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major governmental funds:

The General Fund is the operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund.

General operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The General Obligation Debt Service Fund (Debt Service) is used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term obligation debt. The primary source of revenue is ad valorem taxes, which are levied by the City.

The Street Construction Fund accounts for the financial resources to be used in the construction of roadways and bridges. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, impact fees, developer contributions, or other sources.

The Building Construction Fund accounts for the financial resources to be used in the construction of general governmental buildings and facilities. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, or other sources.

The TIRZ One Fund accounts for the financial resources to be used in the development, construction, improvements, and acquisition of land within a boundary that encompasses 3,100 acres of mixed-use property. The Fund is financed from the increased property values above a preexisting property tax base on January 1, 2006. The year-over-year increase in property values will be contributed by the City and the participating Counties. The City's contribution of property tax from the increased property values is 65% of the increased property within the TIF boundary, and the County's contribution of property tax from the increased property values is 30% of the increased property within Counties limits within the TIF boundary.

The other governmental funds column is a summarization of all the non-major governmental fund types.

The government reports the following major proprietary funds:

The Water and Sewer Fund accounts for the operation of the City's water and sewer system. Activities of the Fund include administration, operation, and maintenance of the water and sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for general obligation, and revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

The Law Enforcement Center Fund accounts for the operation of the City's jail facility.

The Drainage Utility Fund accounts for the operation of the City's drainage system. Activities of the Fund include administration, operation, and maintenance of the drainage system. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

Additionally, the government reports the following fund type:

Agency Funds are used to account for assets held by the City in a trustee capacity for others or for other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables. The Payroll Fund and the Employee Group Health Insurance Fund are the Agency Funds currently administered by the City.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the end of the fiscal year.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the balance sheet or statement of net position as "Cash, Cash Equivalents, and Investments" under each fund's caption. Except for bond-related and other restricted transactions, the City conducted all its banking and investment transactions with the depository bank, JPMorgan Chase Bank, Mansfield.

For fiscal year 2013, the City invested in direct obligations of the U.S. government, or its agencies and mutual funds as authorized by the City's investment policy. The City records interest revenue earned from investment activities in each respective fund and recognizes its investments on a fair value basis, which is based on quoted market prices.

2. Inventory:

Inventory consists primarily of supplies, valued at cost. Cost is determined using the weighted average method. Inventory is charged to the user departments and recorded as expenses/expenditures when consumed rather than when purchased.

3. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond are recorded as prepaid items. The non-spendable portion of the fund balance is provided equal to the amount of prepaid items, as the amount is not available for expenditure. These payments are recognized under the consumption method.

4. Capital Assets:

Capital assets, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, while improvements and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Building and Improvements	50 years
Water and Sewer Lines	50 years
Vehicles, Machinery, and Equipment	4-10 years
Infrastructure	25 years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with the interest earned on invested proceeds over the same period. The City capitalized \$0 of interest during fiscal year 2013.

5. Deferred Inflows and Outflows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and will not be recognized as an outflow of resources (expense/expenditure) until the appropriate future period. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

6. Compensated Absences:

Vested or accumulated vacation leave is accrued in the government-wide and proprietary fund financial statements when incurred. No liability is recorded for non-vesting, accumulating rights to receive sick pay benefits. Vacation is earned in varying amounts up to a maximum of fifteen (15) days for employees with ten (10) or more years of service. Unused vacation leave is carried forward from one year to the next without limit with regards to years of service. As of September 30, 2013, the liability for accrued vacation was \$7,392,881. The amount applicable to the Proprietary Funds \$1,191,531 and the MEDC \$42,504 have been recorded in these funds, and the amount applicable to other funds \$6,158,846 has been recorded in the government-wide financial statements.

7. Interfund Charges:

The City allocates to the Water and Sewer Fund, a percentage of the salaries and wages and related costs of personnel who perform administrative services for the fund but are paid through the General Fund. During the year ended September 30, 2013, the City allocated \$147,980 to the Water and Sewer Fund for these services.

8. Property Tax:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent on February 1 of the following year. The City contracts with Tarrant County to bill and collect its property taxes. Property tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

9. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and deferred loss on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Restricted Assets:

Certain proceeds of Proprietary Fund Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Additionally, amounts held by the City for inmates of the Law Enforcement Center are also classified as restricted assets on the statement of net position.

11. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Final settlement amounts could differ from those estimates.

12. Fund Balance Classification:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to classify the fund balances.

Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action of the City Council and do not lapse at year-end. This formal action consists of a written ordinance voted and approved by a majority of the City Council. For assigned fund balance classification, the City Manager with concurrence of the Finance Director is authorized to assign amounts for a specific purpose. The restricted fund balance classification includes amounts that have constraints that are externally imposed (creditors, grantors, etc.) or imposed by enabling legislation. The nonspendable classification includes amounts that are not in spendable form or required to be maintained intact. The unassigned fund balance classification represents fund balance that has not been classified to another category.

The City considers an amount spent when the expenditure is incurred when restricted or unrestricted fund balances are available. In addition, the City considers an amount spent when expenditure is incurred for purposes for which an amount in the committed, assigned, or unassigned amounts could be used. The City considers expenditure to be made from the most restrictive resources/funds when more than one classification is available.

The City has a minimum General Fund balance policy requirement. This policy established by resolution of the Council requires General Fund unassigned fund balance to be 25% of the ensuing fiscal year's General Fund operating budget. The detailed fund balance classifications are as follows:

	General	Debt Service	Street Construction	Building Construction	TIRZ	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable:							
Prepays	10,099	-	-	-	-	-	10,099
Inventory	-	-	-	-	-	61,228	61,228
Restricted:							
Debt service reserve	-	596,142	-	-	-	-	596,142
Parks debt service reserve	-	-	-	-	-	255,081	255,081
Street construction/improvements	-	-	5,995,554	-	-	-	5,995,554
Municipal building improvements	-	-	-	430,489	-	-	430,489
Parks and recreation	-	-	-	-	-	5,447,130	5,447,130
Parks capital improvements	-	-	-	-	-	1,202,753	1,202,753
Other capital projects	-	-	-	-	1,178,141	-	1,178,141
Equipment /other purposes	-	-	-	-	-	70,594	70,594
Committed:							
Tree mitigation	-	-	-	-	-	787,411	787,411
Parks capital improvements	-	-	-	-	-	1,046,885	1,046,885
Tourism promotion	-	-	-	-	-	600,692	600,692
Court security and technology	-	-	-	-	-	248,606	248,606
Animal control	-	-	-	-	-	7,125	7,125
Assigned:							
Library	-	-	-	-	-	50,759	50,759
Unassigned:	10,594,113	-	-	-	-	-	10,594,113
Total fund balances	10,604,212	596,142	5,995,554	430,489	1,178,141	9,778,264	28,582,802

13. Net Position:

Net position is classified and displayed in three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of net investment in capital assets.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted – All other assets that constitute the components of net position that do not meet the definition of "restricted" or "investment in capital assets."

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds."

The details of this \$107,102,624 difference are as follows:

Bonds payable	\$102,500,000
Issuance costs (amortized over life of debt)	(2,295,452)
Premium on issuance of bonds	2,267,579
Discounts on issuance of bonds	(890,664)
Fiscal charges	(1,280,106)
Accrued interest payable	642,421
Compensated absences	6,158,846
Net adjustment to reduce fund balance – total governmental funds to arrive at net position– governmental activities	<u>\$107,102,624</u>

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$859,617 difference are as follows:

Capital outlay	\$13,737,612
Depreciation expense	<u>(12,877,995)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 859,617</u>

Another element of that reconciliation states “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The statement of activities reports contributions of capital assets. Conversely, the governmental funds do not report any contributions of capital assets. The \$181,463 difference is as follows:

Net adjustment to increase changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$181,463</u>
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Another element of that reconciliation states that “revenues recognizing future lease payments on a straight-line basis in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the funds.” The \$40,000 difference is as follows:

The statement of activities reports lease revenues to recognize future lease payments on a straight-line basis. However, governmental funds do not report lease revenues until they are available.	<u>\$40,000</u>
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Another element of that reconciliation states that “other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds”. The \$24,612 difference is as follows:

The governmental funds defer revenue related to uncollected receivables. However, in the statement of activities, this amount is recognized in the current period.

\$24,612

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,072,460 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$(12,415,000)
Premium on issuance of bonds	(931,746)
Discounts on issuance of bonds	83,560
Issuance costs	246,009
Accrued interest payable	45,636
Amortization of issuance costs	(352,460)
Compensated absences	(1,075,129)
Principal payments or payments to escrow agent	<u>15,471,590</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,072,460</u>

III. Detailed Notes on All Funds

A. Deposits and Investments

As of September 30, 2013, the primary government had cash and cash equivalents of \$11,053,747 and the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM):

Primary Government - Governmental Activities and Business-type Activities	Fair Value	WAM (Years)
Investment Type - Money Market Mutual Funds		
Total Fair Value and Weighted Average Maturity	<u>\$63,924,480</u>	<u>0.13</u>

As of September 30, 2013, the Mansfield Economic Development Corporation had cash and cash equivalents of \$466,798 and the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM)

Component Unit - Mansfield Economic Development Corporation	Fair Value	WAM (Years)
Investment Type - Money Market Mutual Funds		
Total Fair Value and Weighted Average Maturity	<u>11,181,767</u>	<u>0.13</u>

Interest Rate Risk –

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk –

The City is authorized to invest in U.S. government obligations and its agencies or instrumentalities, obligations of Texas and its agencies, fully insured or collateralized certificates of deposit, fully collateralized direct repurchase agreements, government pools and money market funds consisting of any of these securities listed, and obligations of states, cities, and other political subdivisions with a rating of “A” or its equivalent. As of September 30, 2013, the City’s investment in the money market mutual funds was rated “AAA” by Standard and Poor’s and “Aaa” by Moody’s Investment Service.

Custodial Credit Risk Deposits –

In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City has a deposit policy, which requires a collateralization level of 105% of market value less an amount insured by the FDIC.

Custodial Credit Risk Investments –

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has an investment policy, which requires a collateralization level of 105% of market value of principal and accrued interest on investments other than direct purchases of U.S. Treasuries or Agencies. The policy requires all investments held by outside parties for safekeeping in the name of the City or on behalf of the City.

Concentration of Credit Risk Investments –

The City’s investment policy does not place a limit on the amount the City may invest in a single issuer because the City’s investment policy limits the City’s authorized investments. These authorized investments include any security backed by the federal government, the State of Texas, or political subdivision with an investment grade rating of “A” or better. The City’s investment policy authorizes mutual funds, “AAA” rated only registered with the Securities and Exchange Commission available alternatives to previously listed authorized securities. At September 30, 2013, the City’s investments are held in Texas Class Money Market Mutual Fund; Bank of America Merrill Lynch Money Market Mutual Fund; and TexStar Participant Services. These investments are 33.37%; 31.73%; and 34.31% of the City’s total investments. These money market mutual funds are invested in U.S. Treasury obligations, which are backed by the full faith and credit of the U.S. government.

The investment consists of an interest in various mutual funds. This interest is valued at \$1.00 per share. There are no assigned ratings to the fund. The funds can be moved daily or redeemed at any time by the Trustee.

Credit Risk –

The City authorized the custodian to invest the contributions in the Index PLUS Moderate Conservative fund with the Trustee, US Bank, which is an exchange-traded fund. The investment goals of this fund are to gain current income and moderate capital appreciation.

Custodial Credit Risk Investments –

For an investment, this is the risk that in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments.

B. Receivables

Receivables at September 30, 2013 consisted of the following:

Governmental Funds				
	General	Debt Service	Non-major	Total
Receivables:				
Property Taxes	\$ 670,388	\$ 384,686	\$ -	\$1,055,074
Accounts	4,752,430	-	768,651	5,521,081
Gross Receivables	5,422,818	384,686	768,651	6,576,155
Less: Allowance for				
Uncollectible	3,572,057	302,731	-	3,874,788
Net Total Receivables	<u>\$1,850,761</u>	<u>\$ 81,955</u>	<u>\$ 768,651</u>	<u>\$ 2,701,367</u>
Proprietary Funds				
	Water & Sewer	Law Enforcement	Drainage Utility	Total
Receivables:				
Accounts	\$4,640,388	\$283,489	\$529,665	\$5,453,542
Other	45,178	-	-	45,178
Gross Receivables	4,685,566	283,489	529,665	5,498,720
Less: Allowance for				
uncollectibles	768,982	-	45,976	814,958
Net Total Receivables	<u>\$ 3,916,584</u>	<u>\$ 283,489</u>	<u>\$ 483,689</u>	<u>\$ 4,683,762</u>

The MEDC has a sales tax receivable in the amount of \$320,183 as of September 30, 2013.

C. Interfund Receivables

The composition of interfund balances as of September 30, 2013 is as follows:

Fund	Due From	Due To
General Fund	\$417,407	-
Building Construction Fund	-	217,407
Mansfield Parks FDC	-	200,000
TOTAL	<u>\$417,407</u>	<u>\$417,407</u>

C. Capital Assets

Capital asset activity for the year ended September 30, 2013 is as follows:

Governmental activities:	Sept 30, 2012	Increases	Decreases	Sept 30, 2013
Capital assets, not being depreciated:				
Land	\$ 92,748,243	\$ 1,857,076	\$ -	\$ 94,605,319
Construction in progress	7,316,444	13,737,612	(12,078,204)	8,975,852
Total capital assets, not being depreciated	100,064,687	15,594,688	(12,078,204)	103,581,171
Buildings	62,036,506	28,740	-	62,065,246
Other improvements	15,359,926	-	-	15,359,926
Machinery and equipment	19,708,034	1,470,849	(500,801)	20,678,082
Infrastructure	274,207,666	8,966,326	-	283,173,992
Total capital assets being depreciated	371,312,132	10,465,915	(500,801)	381,277,246
Less accumulated depreciation for:				
Buildings	(6,683,798)	(1,174,530)	-	(7,858,328)
Other improvements	(8,913,581)	(971,557)	-	(9,885,138)
Machinery and equipment	(15,233,988)	(841,588)	437,477	(15,638,099)
Infrastructure	(130,015,825)	(9,890,320)	-	(139,906,145)
Total accumulated depreciation	(160,847,192)	(12,877,995)	437,477	(173,287,710)
Total capital assets being depreciated, net	210,464,940	(2,412,080)	(63,324)	207,989,536
Governmental activities capital assets, net	<u>\$310,529,627</u>	<u>\$13,182,608</u>	<u>\$(12,141,528)</u>	<u>\$311,570,707</u>
Business-type activities:	Sept 30, 2012	Increases	Decreases	Sept 30, 2013
Capital assets, not being depreciated:				
Land	\$ 3,030,197	\$ 30,000	\$(1,033,458)	\$ 2,026,739
Construction in progress	4,111,448	5,591,060	(1,729,787)	7,972,721
Total capital assets, not being depreciated	7,141,645	5,621,060	(2,763,245)	9,999,460
Capital assets, being depreciated:				
Buildings and systems	143,731,350	1,683,279	-	145,414,629
Improvements other than buildings	2,686,591	28,042	-	2,714,633
Machinery and equipment	3,324,868	199,262	(32,278)	3,491,852
Infrastructure	47,057,117	531,674	-	47,588,791
Total capital assets, being depreciated	196,799,926	2,442,257	(32,278)	199,209,905
Less accumulated depreciation for:				
Buildings and systems	(26,741,633)	(2,890,009)	-	(29,631,642)
Improvements other than buildings	(146,309)	(39,685)	-	(185,994)
Machinery and equipment	(2,681,316)	(174,619)	32,278	(2,823,657)
Infrastructure	(12,149,895)	(935,719)	-	(13,085,614)
Total accumulated depreciation	(41,719,153)	(4,040,032)	32,278	(45,726,907)
Total capital assets being depreciated, net	155,080,773	(1,597,775)	-	153,482,998
Business-type activities capital assets, net	<u>\$162,222,418</u>	<u>\$4,023,285</u>	<u>\$(2,763,245)</u>	<u>\$163,482,458</u>

D. Capital assets continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 313,163
Public Safety	727,176
Public Works	9,925,180
Culture and Recreation	<u>1,912,476</u>
Total Depreciation Expense – Governmental Activities	<u>\$12,877,995</u>

Business-Type Activities:	
Water and Sewer	\$ 3,678,355
Law Enforcement Center	265,637
Drainage Utility Fund	<u>96,040</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 4,040,032</u>

Construction Commitments

The general government had outstanding commitments at September 30, 2013, under authorized construction contracts of approximately \$4,949,000. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources. These outstanding commitments relate to the major funds.

The MPFDC had outstanding commitments at September 30, 2013, under authorized construction contracts of approximately \$1,372,000. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources. These outstanding commitments relate to the non-major funds.

The Water and Sewer Fund had outstanding commitments at September 30, 2013, under authorized construction contracts of approximately \$1,427,000. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

The Drainage Utility Fund had outstanding commitments at September 30, 2013, under authorized construction contracts of approximately \$97,000. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

Discretely Presented Component Unit

Activity for the MEDC for the year ended September 30, 2013 was as follows:

Mansfield Economic Development Corporation:	Sept 30, 2012	Increases	Decreases	Sept 30, 2013
Capital assets, not being depreciated:				
Land	\$7,807,082	\$ -	\$(941,576)	\$6,865,506
Construction in Progress	983,810	902,085	-	1,885,895
Total capital assets, not being depreciated	<u>8,790,892</u>	<u>902,085</u>	<u>(941,576)</u>	<u>8,751,401</u>
Capital assets, being depreciated:				
Other improvements	167,248	-	-	167,248
Machinery and equipment	72,312	-	-	72,312
Total capital assets, being depreciated	<u>239,560</u>	<u>-</u>	<u>-</u>	<u>239,560</u>
Less accumulated depreciation for:				
Other improvements	(54,892)	(3,060)	-	(57,952)
Machinery and equipment	(79,208)	-	-	(79,208)
Total accumulated depreciation	<u>(134,100)</u>	<u>(3,060)</u>	<u>-</u>	<u>(137,160)</u>
Total capital assets being depreciated, net	<u>105,460</u>	<u>(3,060)</u>	<u>-</u>	<u>102,400</u>
MEDC capital assets, net	<u>\$ 8,896,352</u>	<u>\$899,025</u>	<u>\$(941,576)</u>	<u>\$ 8,853,801</u>

The MEDC had outstanding commitments at September 30, 2013 under authorized construction contracts of approximately \$920,000.

E. Interfund Transfers

The composition of interfund balances as of September 30, 2013 is as follows:

Fund	Transfers In	Transfers Out
General Fund	\$810,532	\$1,050,543
Equipment Replacement	13,854	-
Street Construction Fund	130,000	-
Mansfield Parks FDC	-	1,464,149
Water and Sewer Fund	-	810,532
Parks Construction	1,334,149	-
Law Enforcement Center	1,036,689	-
TOTAL	<u>\$3,325,224</u>	<u>\$3,325,224</u>

The General Fund received a transfer from the Water and Sewer Fund for a payment-in-lieu of taxes, \$810,532, for services provided as part of the City's ordinary government.

Interfund activity from the General Fund, Building Construction Fund, and the non-major funds is for the purpose of purchase, construction, and improvements of fixed assets for government-wide purposes. These transfers are budgeted annually. The unexpended funds within the non-major funds generally are reappropriated upon the adoption of the next fiscal year's budget. These interfund transfers within the Governmental Fund Types are eliminated upon the reporting of government-wide financial statements.

F. Long-Term Debt

Governmental Activities -

General Obligation Bonds, Loans, and Certificates of Obligation

The general obligation bonds, loans, and certificates of obligation are serial and term debt collateralized by the full faith and credit of the City and are payable from property taxes. The debt matures annually in varying amounts through 2033, and interest is payable semiannually. Proceeds of general obligation bonds are recorded in the Capital Projects Funds and are restricted to the use for which they were approved in the bond elections. Certificates of obligation bonds and loan proceeds are recorded in the appropriate fund for which the debt was issued and approved by the City. The City Charter expressly prohibits the use of bond proceeds to fund operating expenditures.

In 2013, the City issued \$4,200,000 in General Obligation Refunding Bonds, Series 2013, for the purpose of refunding \$4,505,000 of the City's outstanding debt. The bonds of \$4,200,000 plus premiums of \$418,231, less discounts of \$26,939 and less issuance costs of \$86,000 were used to refund a portion of the City's outstanding debt.

The City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by \$99,624 and resulted in an economic gain of \$712,222. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was \$93,483 at September 30, 2013.

In 2013, the City issued \$2,880,000 in General Obligation Refunding Bonds, Series 2013, for the purpose of refunding \$2,915,000 of the City's outstanding debt. The bonds of \$2,880,000 plus premiums of \$120,815, less discounts of \$20,667 and less issuance costs of \$68,262 were used to refund a portion of the City's outstanding debt.

The City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by \$76,966 and resulted in an economic gain of \$464,895. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was \$71,288 at September 30, 2013.

In 2013, the City issued \$5,335,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2013, for the purpose of construction of street improvements and building improvements. The bonds of \$5,335,000 plus premiums of \$392,700, less discounts of \$35,953 and less issuance costs of \$91,747 will be used to construct and design street improvements.

General obligation debt outstanding at September 30, 2013 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2004	2.00% to 5.00%	2019	18,025,000	7,175,000
2004 A	2.50% to 5.00%	2025	6,885,000	1,365,000
2005 Refunding	3.00% to 5.00%	2020	9,050,000	4,650,000
2006	4.00% to 4.35%	2026	6,905,000	5,200,000
2007 CO	4.00% to 5.00%	2027	3,320,000	2,645,000
2007	4.00% to 5.00%	2027	5,215,000	4,160,000
2007A CO	5.90% to 6.51%	2028	1,255,000	1,030,000
2007A GO	5.50% to 4.63%	2028	5,300,000	4,400,000
2007B GO	5.50% to 4.63%	2028	5,300,000	4,340,000
2008 CO	5.00% to 6.25%	2029	12,330,000	10,660,000

2008 GO	5.00% to 6.25%	2029	3,105,000	2,770,000
2009 GO Refunding	3.00% to 4.00%	2022	10,400,000	7,760,000
2011 GO Refunding	2.00% to 4.00%	2022	9,730,000	7,700,000
2011 CO	2.00% to 5.00%	2031	3,090,000	2,870,000
2012 GO Refunding	2.00% to 3.13%	2025	5,855,000	5,670,000
2012 CO	2.00% to 4.00%	2032	3,415,000	3,290,000
2012A CO	3.49% to 4.65%	2032	3,075,000	2,970,000
2013 CO	2.00% to 4.00%	2033	5,335,000	5,335,000
2013 GO Refunding	2.00% to 4.00%	2025	4,200,000	4,200,000
2013A GO Refunding	2.00% to 3.00%	2023	2,880,000	2,880,000
TOTAL				<u>\$91,070,000</u>

Annual debt service requirements to maturity for general obligation debt, including interest of \$28,476,031, are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$7,670,000	\$3,703,193	\$11,373,193
2015	7,395,000	3,405,637	10,800,637
2016	7,240,000	3,121,192	10,361,192
2017	7,100,000	2,844,259	9,944,259
2018	6,900,000	2,568,534	9,468,534
2019-2023	29,580,000	9,008,390	38,588,390
2024-2028	19,980,000	3,444,199	23,424,199
2029-2033	5,205,000	380,627	5,585,627
TOTAL	<u>\$91,070,000</u>	<u>\$28,476,031</u>	<u>\$119,546,031</u>

Authorized but unissued general obligation bonds as of September 30, 2013 are as follows:

Purpose	Date Authorized	Amount Authorized	Unissued Balance
Library	2/7/2004	<u>\$1,535,000</u>	<u>\$1,535,000</u>

General Operating Leases as of September 30, 2013 are as follows:

The City has entered into two operating purchase agreements for Public Safety equipment. These lease agreements were entered into August 15, 2011 and June 27, 2012. The amount of the equipment purchased was \$372,856 and is to be repaid over a five-year period at an interest rate of 2.44% per year and \$2,073,235 to be repaid over a ten-year period at an interest rate of 3.53%. Annual payments subject to annual appropriation are to occur over the next ten years as follows:

Fiscal Year	Annual Payment	Interest	Principal	Remaining Principal
2014	\$321,271	\$5,590	\$315,681	\$1,986,637
2015	321,271	68,443	252,828	1,733,809
2016	321,271	60,353	260,918	1,472,891
2017	241,153	51,993	189,160	1,283,731
2018	241,153	45,316	195,837	1,087,894
2019-2023	1,205,765	117,871	1,087,894	-
TOTAL	<u>\$2,651,884</u>	<u>\$349,566</u>	<u>\$2,302,318</u>	

Special Sales Tax Revenue Bonds

The Special Sales Tax Revenue Bonds are special limited obligations of the MPFDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually. The proceeds of these bonds are to be used for their legal purposes as prescribed in the statutes of the State of Texas.

Special Sales Tax Revenue and Revenue Refunding Bonds outstanding at September 30, 2013 are as follows:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2006	4.00% to 4.40%	2024	3,940,000	\$3,005,000
2007	4.00% to 4.30%	2027	2,200,000	1,715,000
2007A	5.90% to 6.51%	2028	2,990,000	2,540,000
2012	2.00% to 3.25%	2024	4,995,000	4,170,000
TOTAL				<u>\$11,430,000</u>

Debt service requirements to maturity for Special Sales Tax Revenue Bonds, including interest of \$3,683,453, are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$785,000	\$458,573	\$1,243,573
2015	805,000	433,283	1,238,283
2016	835,000	407,104	1,242,104
2017	860,000	379,830	1,239,830
2018	890,000	351,166	1,241,166
2019-2023	4,355,000	1,274,249	5,629,249
2024-2027	2,900,000	379,248	3,279,248
TOTAL	<u>\$11,430,000</u>	<u>\$3,683,453</u>	<u>\$15,113,453</u>

Changes in long-term liabilities

Long-term debt activity for the year ended September 30, 2013 was as follows:

Changes in Long-term Debt	General Obligation Debt	Sales Tax Revenue Bonds	Compensated Absences	Total
Beginning of year	\$92,876,892	\$11,894,096	\$5,083,717	\$109,854,705
Amounts added during fiscal year	12,415,000	-	2,550,253	14,965,253
Premiums on Issuance	931,746	-	-	931,746
Discounts on Issuance	(83,560)	-	-	(83,560)
Amortization of premium/discount	(144,683)	7,590	-	(137,093)
Amortization of deferred amount	154,981	16,357	-	171,338
Amounts retired during fiscal year	<u>(14,721,590)</u>	<u>(750,000)</u>	<u>(1,475,124)</u>	<u>(16,946,714)</u>
Amounts payable at end of year	<u>\$91,428,786</u>	<u>\$11,168,043</u>	<u>\$6,158,846</u>	<u>\$108,755,675</u>
Amounts due within one year	<u>\$7,670,000</u>	<u>\$785,000</u>	<u>\$1,696,541</u>	<u>\$10,151,541</u>

For the governmental activities, compensated absences are generally liquidated by the general fund or the respective special sales tax fund.

Business-Type Activities -

Water and Sewer Fund

The water and sewer fund revenue bonds are payable from the gross revenues of the water and sewer system. Gross revenues are to be used first-to-pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2030, and interest is payable semiannually.

Waterworks and Sewer System Refunding and Revenue Bonds

In 2004, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by \$462,612. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was \$84,111 at September 30, 2013.

In 2005, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by \$327,090. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was \$59,967 at September 30, 2013.

In 2011, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by \$104,513 and resulted in an economic gain of \$53,332. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was \$90,762 at September 30, 2013.

In 2012, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by \$195,970 and resulted in an economic gain of \$192,727. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was \$167,391 at September 30, 2013.

Water and sewer fund debt outstanding at September 30, 2013 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2004	2.00% to 4.00%	2019	11,975,000	\$5,050,000
2004A	2.25% to 4.75%	2024	3,135,000	1,990,000
2005Ref	3.00% to 4.10%	2019	9,105,000	2,185,000
2007	4.00% to 4.30%	2027	6,000,000	4,670,000
2008	4.00% to 4.30%	2029	26,185,000	22,445,000
2009	2.00% to 4.50%	2030	2,585,000	2,295,000
2011	2.00% to 5.00%	2030	13,995,000	11,990,000
2012	2.00% to 5.00%	2030	2,320,000	2,080,000
TOTAL				<u>\$52,705,000</u>

Debt service requirements to maturity for water and sewer fund debt, including interest of \$22,336,400, are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$3,820,000	\$2,493,316	\$6,313,316
2015	3,960,000	2,364,720	6,324,720
2016	3,695,000	2,217,470	5,912,470
2017	3,825,000	2,073,826	5,898,826
2018	3,795,000	1,920,695	5,715,695
2019-2023	15,810,000	7,382,416	23,192,416
2024-2028	14,060,000	3,622,619	17,682,619
2029-2030	3,740,000	261,338	4,001,338
TOTAL	<u>\$52,705,000</u>	<u>\$22,336,400</u>	<u>\$75,041,400</u>

Law Enforcement Center

The Authority issued mortgage revenue bonds in 1989 to construct a 48-bed detention facility and administrative offices, for City use, and a 96-bed detention facility for surrounding agencies use (the Law Enforcement Complex). In 1991, the Authority purchased a 3.2-acre tract of land adjacent to the Law Enforcement Complex with proceeds from a property acquisition note, for future expansion. In 1993, additional mortgage revenue bonds were issued for a 96-bed expansion of the Law Enforcement Center, which was completed in January 1995.

Refunding Bonds

In 2005, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by \$294,336. This deferred amount on refunding was being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. There were no deferred or defeased amounts as of September 30, 2012.

Law Enforcement Center Fund debt outstanding at September 30, 2013 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2005 Refund	3.50% to 5.00%	2015	\$2,355,000	\$950,000
2007B CO	6.45% to 6.45%	2028	790,000	675,000
TOTAL				<u>\$1,625,000</u>

Debt service requirements to maturity for Law Enforcement Center debt, including interest of \$427,745, are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$490,000	\$78,606	\$568,606
2015	515,000	53,083	568,083
2016	30,000	39,023	69,023
2017	35,000	36,926	71,926
2018	35,000	34,669	69,669
2019-2023	220,000	133,838	353,838
2024-2028	300,000	51,600	351,600
TOTAL	<u>\$1,625,000</u>	<u>\$427,745</u>	<u>\$2,052,745</u>

Drainage Utility Fund

The Drainage Utility Fund revenue bonds are payable from the gross revenues of the drainage utility system. Gross revenues are to be used first to pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2027, and interest is payable semiannually.

In 2012, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by \$285,920 and resulted in an economic gain of \$333,855. This deferred amount on refunding is being netted against the new debt and amortized over the refunded debt's life using the straight-line method, since the refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was \$262,093 at September 30, 2013

Drainage Utility Fund debt outstanding at September 30, 2013 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2007	4.00% to 4.30%	2027	\$2,200,000	\$1,715,000
2012	2.00% to 3.13%	2024	3,740,000	3,390,000
TOTAL				<u>\$5,105,000</u>

Debt service requirements to maturity for Drainage Utility debt, including interest of \$1,167,093, are as follows:

Fiscal Year	Principal	Interest	Total
2014	370,000	156,670	526,670
2015	375,000	147,370	522,370
2016	390,000	137,970	527,970
2017	400,000	128,170	528,170
2018	405,000	118,070	523,070
2019-2023	2,225,000	403,475	2,628,475
2024-2027	940,000	75,368	1,015,368
TOTAL	<u>\$5,105,000</u>	<u>\$1,167,093</u>	<u>\$6,272,093</u>

Changes in business-type activity debt

A summary of business-type activity debt transactions, including activity for the year ended September 30, 2013, is as follows:

Changes in Long - Term Debt	Water & Sewer Revenue Bonds	Law Enforcement Tax Obligations	Drainage Utility Revenue Bonds	Compensated Absences	Total
Debt, beg of year	\$55,865,564	\$2,097,999	\$5,203,899	\$933,338	\$64,100,800
Deferred amortization on Refunding	96,596	21,340	23,827	-	141,763
Amount added during fiscal year	-	-	-	561,403	561,403
Premiums on Issuance	-	-	-	-	-
Discounts on Issuance	-	-	-	-	-
Amortization of premium /discount	2,434	(10,136)	(2,502)	-	(10,204)
Amounts retired during fiscal year	(3,700,000)	(465,000)	(360,000)	(303,211)	(4,828,211)
Debt, end of year	<u>\$ 52,264,594</u>	<u>\$ 1,644,203</u>	<u>\$ 4,865,224</u>	<u>\$ 1,191,530</u>	<u>\$ 59,965,551</u>
Due in one year	<u>\$ 3,820,000</u>	<u>\$ 490,000</u>	<u>\$ 370,000</u>	<u>\$ 348,723</u>	<u>\$ 5,028,723</u>

For financial reporting purposes, the unamortized premiums and discounts have been netted against total bonds outstanding.

The Business-Type Activity long-term debt will be repaid, plus interest, from the operating revenues derived primarily from water sales, sewer service charges, and drainage service charges and from revenues derived from housing other agencies' prisoners or operating transfers from the general fund.

Discretely Presented Component Unit

Mansfield Economic Development Corporation

The Sales Tax Revenue Refunding Bonds are special limited obligations of the MEDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually.

MEDC debt outstanding at September 30, 2013 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2004	3.25% to 6.33%	2024	\$8,300,000	\$5,685,000
2004	3.38% to 5.13%	2024	4,715,000	3,100,000
2012	2.00% to 4.00%	2032	3,090,000	2,970,000
TOTAL				<u>\$11,755,000</u>

Debt service requirements to maturity for MEDC debt, including interest of \$4,447,554, are as follows:

Fiscal Year	Principal	Interest	Total
2014	725,000	590,521	1,315,521
2015	760,000	556,318	1,316,318
2016	800,000	519,938	1,319,938
2017	835,000	481,314	1,316,314
2018	880,000	440,055	1,320,055
2019-2023	5,105,000	1,470,491	6,575,491
2023-2027	1,870,000	309,517	2,179,517
2029-2032	780,000	79,400	859,400
TOTAL	\$11,755,000	\$4,447,554	\$16,202,554

Changes in MEDC Debt

A summary of MEDC debt transactions, including activity for the year ended September 30, 2013, is as follows:

Changes in Long-term Debt	Revenue Bonds	Compensated Absences	Total
Amounts payable at beginning of year	\$ 12,349,615	\$ 46,125	\$12,395,740
Amortization of premiums/discounts	7,389	-	7,389
Amounts added during fiscal year 2013	-	14,923	14,923
Amounts retired during fiscal year 2013	(695,000)	(18,544)	(713,544)
Amounts payable at end of year	<u>\$ 11,662,004</u>	<u>\$ 42,504</u>	<u>\$ 11,704,508</u>
Amounts due within one year	<u>\$ 725,000</u>	<u>\$ 21,327</u>	<u>\$ 746,327</u>

G. Restricted Assets

The restricted assets of the Business-type Activities as of September 30, 2013 included the following legal use restrictions.

Enterprise Fund	Revenue Bond Sinking and Reserve Fund	Bond Construction Fund	Inmate Trust Fund	Total
Water and Sewer Fund	\$4,109,809	\$13,468,024	\$ -	\$17,577,833
Law Enforcement Complex	106,891	10,482	-	117,373
Drainage Utility	83,927	328,626	-	412,553
TOTAL	<u>\$4,300,627</u>	<u>\$13,807,132</u>	<u>\$-</u>	<u>\$18,107,759</u>

The ordinance authorizing the issuance of Water and Sewer System revenue bonds requires that the City establish a sinking fund (Revenue Bond Sinking and Reserve Fund) in an amount not less than the average annual requirement for the payment of principal and interest on all the revenue bonds. At September 30, 2013, the sinking fund balance is sufficient to satisfy such bond ordinance requirements. The bond ordinance also contains provisions, which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and the pledged revenues are equal to or greater than 1.25 times the average annual debt service requirements after giving effect to the proposed additional bonds and any proposed rate increases. In addition, the bond ordinance requires

that the annual gross revenues of the Water and Sewer System, less annual operation and maintenance expenses (excluding depreciation and amortization expense), be at least 1.10 times the annual principal and interest requirements of all the outstanding revenue bonds.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the Water and Sewer System. The unspent proceeds are maintained as restricted assets until such time as needed to fund the Water and Sewer System construction program.

The ordinance authorizing the issuance of the Certificates of Obligation requires that the City establish an interest and sinking fund to provide for principal and interest requirements as they become due.

H. Retirement Plan

Plan Description:

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS. The report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' Website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2012	Plan Year 2013
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Contributions:

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's project benefit allocated annually; the prior service contribution rate amortizes the underfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rates go into effect. The annual pension cost for 2013, 2012, and 2011 was \$4,173,052, \$3,944,031, and \$3,869,129, respectively, which was equal to the City's required and

actual contributions. The required contributions were determined as part of the December 31, 2009 and 2008 actuarial valuations using the projected unit credit actuarial cost method.

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2012 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation date, December 31, 2012, is as follows:

Valuation Date	12/31/2010	12/31/2011	12/31/2012
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent	Level Percent
Remaining			
Amortization Period	27.1 years; closed period	26.1 years; closed period	25.1 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment Rate of Return*	7.5%	7.0%	7.0%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes Inflation at Cost-of-Living Adjustments	3.00%	3.00%	3.00%
	2.1%	2.1%	2.1%

The funded status as of December 31, 2012 (unaudited), the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2010	\$64,912,070	\$82,127,435	79.0%	\$17,215,365	\$25,789,618	66.8%
12/31/2011	\$73,360,968	\$89,180,462	82.3%	\$15,819,494	\$25,790,850	61.3%
12/31/2012	\$82,380,703	\$96,569,889	85.3%	\$14,189,186	\$26,472,599	53.6%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

I. Supplemental Death Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected by ordinance to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual (calculated based on the employee's actual earnings, for the 12-month period preceding

the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB.

Contributions:

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees’ entire careers.

The City’s contributions to the TMRS SDBF for the years ended 2013, 2012, and 2011 were \$36,303, \$31,710, and \$42,684, respectively, which equaled the required contributions each year.

J. Other Post-Employment Benefits - OPEB

Plan Description

City employees retiring on TMRS will be provided the opportunity to receive health insurance benefits from the City from the City’s existing healthcare plan. The City established by ordinance participation in a multi-employer defined benefit postemployment healthcare plan that covers retired employees of the City. The City established an irrevocable trust and contracted with an administrator as well as a custodial bank to manage the plan’s assets or the retiree’s medical benefits.

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City of Mansfield, Business Services Division, 1200 East Broad Street, Mansfield, Texas 76063.

Measurement Focus and Basis of Accounting

The City of Mansfield, Texas Retiree Health Insurance Plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the determination of the employer.

Benefits

City employees will be provided the opportunity to elect employer-subsidized health programs until the age of 65. After the age of 65, the City will pay the following percentage of employer-subsidized premium as a lifetime-only benefit. At the time of the actuarial valuation, the City paid retired employee premiums of \$812.20 for medical coverage and \$37.80 for dental coverage. The City does not subsidize family health coverage. The years of service must be worked for the City, and other creditable years of service are excluded when determining the percentage:

Years of Service with the City	Percentage of Employer- Subsidized Premium
20 and more	100%
19	95%
18	90%
17	85%
16	80%
15	75%
14	70%
13	65%

12	60%
11	55%
10	50%

At the time of the actuarial valuation, the City had 426 active plan members and only 37 retired plan members receiving benefits.

Participants included in the actuarial valuation include retirees and survivors, and active employees who may be eligible to participate in the plan upon retirement. Expenditures for postretirement healthcare and other benefits are recognized monthly and funded into the irrevocable trust. The City funds 100% of the ARC, which approximates the annual OPEB cost, and totaled \$1,000,959 for the fiscal year ended September 30, 2013. The City also funded 100% of the ARC, which approximates the annual OPEB cost, and totaled \$703,597 and \$585,684 for each of the fiscal years ended September 30, 2012 and 2011 respectively. The retirees are responsible for funding approximately 2% of the healthcare and other benefit premiums.

Eligible retired employees participating in the City's Retiree Health Insurance Plan pay their premiums directly to the City. The City paid the ARC, including the employee portions of healthcare premiums directly to the Trust in the amount of \$1,000,959 for fiscal year 2013.

Funding

The City makes an annual contribution to the plan approximately equal to the ARC. The City commissioned an updated actuarial valuation of the plan for October 1, 2012 for fiscal year 2013.

The funded status as of October 1, 2012 (unaudited), the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/2012	\$3,233,404	\$10,608,407	31%	\$7,375,003	\$27,925,254	26.41%
10/01/2011	\$2,284,937	\$7,646,266	30%	\$5,361,329	\$25,173,254	21.3%
10/01/2009	\$801,167	\$4,944,949	16%	\$4,143,782	\$26,475,384	15.65%

Note: ARC of \$1,000,959 for fiscal year 2013 as of September 30, 2013 is based on the current practice of funding the plan in a segregated GASB-qualified trust.

Actuarial Methods and Assumptions

Actuarial Cost Method - Projected Unit Credit

Actuarial Valuation Date - October 1, 2012

Discount Rate - 7%

Amortization method - 30 years, level dollar open amortization

Open amortization means a fresh start each year for the cumulative unrecognized amount.

Healthcare Cost Trends Rates – 8% initially graded downward 1.0% per year to 5.0% in year 7 and later.

Mortality - IRS 2008 Combined Static Mortality Table

Retirement Rate –

Attained Age	Rates per 100 Participants
50	3.0
51	1.5
55	7.5
58	10.0
60	25.0
61	10.0
65	100

Withdrawal Rate –

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarial calculations reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of benefits.

Immediately following the notes, the schedule of funding progress is presented for the Texas Municipal Retirement System plan along with Retiree Health Insurance Other Postemployment Benefits plan.

K. Commitments and Contingencies

Various claims and lawsuits are pending against the City. In the opinion of the City's management, the potential loss on all claims, if any, will not be significant to the City's financial statements.

Audits of Grant Activities

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial statements.

L. Contracts with Other Governmental Entities and Other Contracts

Water Supply

Raw water is supplied to the City through a contract between the City and the Tarrant Regional Water District (TRWD). The basic contract, which was renegotiated and approved by the TRWD and the City Council on September 10, 1979, provides for a contract period to run for the life of the bonds, which were issued by the TRWD to provide water to the City and thereafter for the life of the TRWD facilities serving the City. Water is provided to the City from the TRWD Cedar Creek Lake and Richland-Tehuacanna Reservoir. Under the contract, the City has a take-or-pay gallon requirement based on the greater of 1.3 million gallons or the average daily consumption for the previous five-year period. The rate to be charged to the City for raw water is based upon the TRWD cost of debt service, operation and maintenance expenses, and any other miscellaneous expenses in connection with its water supply facilities. These costs will be allocated on a proportionate share based upon actual water consumption of the City in relation to the actual use by the City of Fort Worth and the Trinity River Authority (TRA) after crediting the amount received by the TRWD from water sales to the City of Arlington and other customers. The current rate charged for raw water has been calculated to be \$0.91628 per 1,000 gallons, with a total cost of \$3,544,949 during fiscal year 2013. It is estimated that the raw water supply available to the City under the contract is adequate for the ultimate development of the City.

In addition, the City has a contract with the City of Arlington to purchase treated water up to 1.0 M.G.D. on a demand basis. The City has the option to renegotiate the Arlington water purchase contract on an as-needed basis.

Sewer Treatment

On August 23, 1974, the City Council approved a contract with the TRA to become a contracting party in the TRA's Central Regional Wastewater System, along with 19 other area cities and the Dallas/Fort Worth International Airport.

The contracting parties have agreed to pay the TRA its net cost of operation and maintenance, including debt service requirements, on the Central System. Payments made by the respective cities are pursuant to authority granted by Article 1109i, Vernon's Annotated Texas Civil Statutes, as amended, and Chapter 30, Texas Water Code, as amended, and constitute operating expenses of their waterworks and sewer systems.

The expense of operating TRA's Central System, including administrative overhead and amounts necessary to pay debt service, is paid monthly by the contracting parties based on a formula of dividing each contracting party's estimated contributing flow to the Central System for such year by the total estimated contributing flow by all contracting parties being served at the beginning of each such year, with a year-end adjustment based on actual metered contributing flow to the Central System by all contracting parties. For fiscal year 2013, the City's cost for sewer treatment under the contract was \$4,112,368.

Law Enforcement Complex Housing Commitments

On June 25, 1990, the City entered into an Intergovernmental Agreement Contract (IGA) with the United States Marshal's Service (USMS) to provide for the housing, safekeeping, and subsistence of adult male and female federal prisoners.

The City began housing prisoners from the Immigration and Naturalization Service pursuant to the terms and conditions of the USMS contract or IGA. On December 11, 1998, the City and the USMS agreed for the City to house federal prisoners and other related governmental agencies' prisoners at a cost of \$46.60 per day, effective June 1, 1999.

On November 1, 2001, the City and the City of Fort Worth, Texas, entered into an agreement under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, for the purpose of housing the City of Fort Worth's prisoners. This contract was renegotiated during fiscal year 2006, and a new agreement was reached between the City and the City of Fort Worth, Texas, commencing on October 1, 2006. The new agreement is an annual agreement that automatically renews for subsequent one-year terms, commencing on October 1 of each year and ending on September 30 of each year for nine (9) years after the Initial Term until September 30, 2016. There are various provisions in the contract defining both the purpose and nature of the duties of the City, and the City of Fort Worth, Texas, in housing the City of Fort Worth, Texas, prisoners. The general terms of the contract agree that the City will collect a monthly fee of \$388,969 or \$4,667,626 in the first year of the contract. Each subsequent term of the contract, the annual amount will increase 4% per year. There are various provisions in the contract that define additional payments for housing prisoners over a specified cap and a reduction in payments if the population of the prisoners drops below a certain number. These provisions give notice to each party that a material change has occurred in the purpose and management of housing the City of Fort Worth, Texas, prisoners and that adjustments to the terms of the contract should be mutually agreed upon by both parties.

The Contract is subject to termination by either party upon written notice provided 90 days before any annual renewal date. Upon such notice of intent, neither party is obligated to any further performance or consideration that has not already been rendered. If the City of Fort Worth, Texas, fails to appropriate funds sufficient to fulfill its obligations under this agreement, Fort Worth may terminate this agreement to be effective by whichever effective date is sooner: (1) thirty (30) days following delivery by Fort Worth to the City of written notice of Fort Worth's intent to terminate or (2) the last date for which funding has been appropriated by Fort Worth's City Council for Fort Worth to fulfill its obligations under this Agreement.

If any net losses or capital requirements should arise in the future, the City will be required to make cash advances and/or operating transfers from the general fund to fund these operating and capital requirements. The City cannot reasonably estimate the amounts, if any, of the advances or operating transfers that may be required.

Mansfield National Golf Club

In June 1999, the City entered into an agreement with MPFDC and Evergreen Alliance Golf Limited, L.P., a Delaware limited partnership, to construct an 18-hole golf course. The agreement named the property on which the course was constructed: Mansfield National Golf Club. Mansfield National Golf Club was constructed by Evergreen Alliance Golf Limited, L.P. (Alliance) during FY99 and FY00 on property owned by MPFDC in the City. The Mansfield National Golf Club opened in November 2000. During the course of the construction, Alliance assumed the financial obligation and risk of constructing the course on the MPFDC property. Upon completion of the construction of Mansfield National Golf Club, a long-term lease agreement was entered into by the MPFDC and Alliance to manage and operate the course for a period of 50 years. In the agreement, Alliance agreed to pay the MPFDC a Base Rent for occupying the property during the term of the Lease. The following summarizes the terms of the base rent:

Lease years 01 through and including 10:	\$ 0.00 per lease year
Lease years 11 through and including 20:	\$ 50,000 per lease year
Lease years 21 through and including 30:	\$100,000 per lease year
Lease years 31 through and including 40:	\$125,000 per lease year
Lease years 41 through and including 50:	\$175,000 per lease year

The value of the improvements made to the property, subject to and reserving the leasehold rights of Alliance as defined by the agreement, became the vested rights of MPFDC and subsequently the vested rights of the City. The rights of the value of improvements have been used as collateral for financing the cost of constructing the improvements. The improvements or rights of the value of the improvement are

not carried or recognized as an asset by the MPFDC. However, upon the dissolution of the lease agreement, the rights of the value of the improvements are to be recognized as an asset by the MPFDC. The MPFDC has the right of first refusal and the authority to approve or disapprove future assignments of the rights made by Alliance. In the event Alliance becomes insolvent, certain remedies are permitted by the agreement and in no circumstance is the MPFDC obligated to or committed to Alliance's creditors.

The City is accruing a lease receivable of \$90,000 per year to recognize future rental income over the term of the lease on a straight-line basis.

Sports Park – Big League Dreams

During fiscal year 2008, the City completed the construction of a multipurpose recreational sports park known as "Big League Dreams Mansfield Sports Park," BLDMSP. The City spent \$26.4 million on the facility, which includes eight lighted theme baseball/softball fields, one multipurpose facility, open park areas, and administrative offices on 40 acres tract of land.

The City contracted with a Texas Limited Partnership, Big League Dreams Mansfield, L.P., or BLD, to manage, operate, and maintain the park for 40 years effective upon the completion of the construction of BLDMSP. This agreement is referred to as a maintenance and operation agreement. BLD is an affiliate of Big League Dreams USA, LLC, or BLD USA, a California company, which has affiliates in several states including Texas, Arizona, and California. BLD USA also owns the intellectual rights and has a proprietary interest in the Total Image, Name and Marks, and Logo, BLD USA. The City has contracted with BLD USA to use their intellectual rights for BLDMSP through a license agreement. The term of this license agreement is concurrent to the term of the maintenance and operation agreement.

The terms of the agreement give BLD the right to operate and maintain the BLDMSP for an initial term of 30 years with the two separate options of extending the contract for 5 years in periods following the original term of 30 years. BLD is to maintain and operate the park from the use of the facility by the public. BLD is able to charge fees and is to pay for the cost of maintaining, insuring, and operating the park. For the right to maintain, insure, and operate the BLDMSP, BLD is to pay the City a minimum operating fee of \$100,000 per year with escalation provisions based upon annual gross revenues achievements. The payments are to commence after a waiver period of at least 12 months.

There are provisions for the termination of this agreement in the event of well-defined circumstances of default by either the City or BLD USA. In the event of an agreed-upon default, the City or BLD has exhaustive rights to remedy or cure the default. There is no right of assignment outside the assignment to an affiliate of either entity.

Water Park – Hawaiian Falls

In fiscal year 2008, the City completed the construction and capitalized the costs of a water park. The cost of the park capitalized was \$8.9 million.

To construct, operate, and maintain the water park, the City contracted with Mansfield Family Entertainment, LLC, MFE, commonly referred to as Hawaiian Falls. The term of the agreement is for a period of 40 years with two 5-year renewal options succeeding the term of 40 years. The agreement allows MFE to operate and maintain the park by leasing the water park from City. MFE has the right to charge fees to operate and maintain the park. The City granted a rent holiday or reprieve from annual lease payments for a period of 7 years. However, if the gross receipts generated from the operation of the water park exceed \$2,500,000 in any year within the 7-year rent holiday, MFE is to begin paying an annual lease payment of at least 5% of gross revenues thereafter.

By agreement, MFE acknowledges the title of City in and to land constituting the premises and the real property improvements including appurtenances constructed by either party and agrees never to contest such title.

M. Conduit Debt Obligations

In prior years, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

There are no series of Industrial Revenue Bonds outstanding as of the fiscal year-end.

N. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's general liability and workers' compensation program is managed through the purchase of a policy through a municipal pool that is separately administered. The City's health insurance is administered through an outside provider. The City makes specified contributions for employees and their dependents under this plan. Additionally, the City also offers dental, life insurance, and accidental death and dismemberment plans through an independent provider in which the City makes specified contributions for employees only under these plans. There have been no significant reductions in insurance coverage for any of these programs since last year, and settlements have not exceeded insurance coverage for any of the past three years.

O. Subsequent Events

Bond Issuances

On December 9, 2013, the City issued \$6,710,000 in General Obligation Refunding Bonds, Series 2014; and \$16,500,000 in Combination Tax and Revenue Certificates of Obligation, Series 2014. On January 27, 2014, the City issued 1,255,000 in Combination Tax and Revenue Certificates of Obligation, Series 2014A. The purpose of the Combination Tax and Revenue Certificates of Obligations, Series 2014 and 2014A are for the design, development, and construction of street improvements, public safety improvements and equipment and land acquisition for public works and public safety.

P. New Accounting Pronouncements

For fiscal year 2013, the City has implemented Statements No. 60, 61, 62 and 63 of financial accounting standards issued by the GASB.

In March 2013, GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized as outflows of resources or inflow of resources, certain items previously reported as assets and liabilities. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In March 2013, GASB issued Statement No. 66, Technical Corrections 2012. The objective of this Statement is to improve accounting and financial reporting for government reporting by resolving

conflicting guidance that resulted from the issuance of GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The effective date for this Statement is for financial statements whose fiscal year begins after December 15, 2012. The City does not anticipate any material impact on the financial statements.

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25. This Statement improves financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards governing accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards governing accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement will be effective for the City in fiscal year 2015. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In January 2013, the GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The provisions of Statement 69 are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

In April of 2013, the GASB issued Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend non-exchange financial guarantees and by those governments that receive non-exchange financial guarantees. This Statement also will enhance the information disclosed about a government's obligations and risk exposure from extending non-exchange financial guarantees. This Statement also will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee. The provisions of Statement 70 are effective for financial statements for reporting beginning after June 15, 2013.

In November of 2013, the GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This benefit will be achieved without the imposition of significant additional costs. The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2013

Texas Municipal Retirement System
Schedule of Funding Progress - Unaudited

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date, December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded (1)/(2)	Unfunded AAL (2)-(1)	Annual Covered Payroll	Unfunded AAL as Percentage of Covered Payroll (4)/(5)
2012	\$82,380,703	\$96,569,889	85.3%	\$14,189,186	\$26,472,599	53.6%
2011	73,360,398	89,180,462	82.3%	15,820,064	25,790,850	61.3%
2010	64,912,070	82,127,435	79.0%	17,215,365	25,789,618	66.8%

Note: The Texas State Legislature met in 2011 and passed Senate Bill 350, which restructured TMRS' internal account structure. Prior to passage, TMRS accounted for three different pools of assets – one for cities, one for active employees, and one for retirees. SB 350 allowed TMRS to combine each of these pools into a single pool for each participating City, The Benefit Accumulation Fund. This new fund structure more closely resembles the structure of the vast majority of public pension systems, and helps protect cities against the downside risk of adverse investment returns while providing future contribution rate stability. These changes were incorporated into the TMRS 2010 Actuarial Valuation and amounts reported in the City's CAFR for FY 2011 now include the additional assets and liabilities of the former pool used to account for retirees, which had the net effect of increasing the City's funded ratio while at the same time reducing the contribution rate for FY 2012.

Retiree Health Insurance Other Postemployment Benefits
Schedule of Funding Progress - Unaudited

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded (1)/(2)	Unfunded AAL (2)-(1)	Annual Covered Payroll	Unfunded AAL as Percentage of Covered Payroll (4)/(5)
Oct 1, 2012	\$3,233,404	\$10,608,407	31%	\$7,375,003	\$27,925,254	26.41%
Oct 1, 2011	2,284,937	7,646,266	30%	5,361,329	25,173,254	21.30%
Oct 1, 2009	801,167	4,944,949	16%	4,143,782	26,475,384	15.65%

Note: ARC of \$1,000,959 for fiscal year 2013 as of September 30, 2013 is based on the current practice of funding the plan in a segregated GASB-qualified trust.

Required Supplementary Information

City of Mansfield, Texas

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 20,150,689	\$ 20,150,689	\$ 19,770,547	\$ (380,142)
Sales	7,856,254	7,856,254	8,130,599	274,345
Franchise	3,476,852	3,476,852	3,476,958	106
Mixed drink	118,000	118,000	107,223	(10,777)
Licenses and permits	1,565,000	1,565,000	1,271,850	(293,150)
Intergovernmental	30,893	30,893	131,216	100,323
Charges for services	2,724,431	2,724,431	3,526,534	802,103
Fines	1,509,107	1,509,107	2,466,430	957,323
Interest earnings	5,000	5,000	11,715	6,715
Contributions and donations	-	-	14,500	14,500
Miscellaneous	190,487	190,487	473,613	283,126
Total revenues	<u>37,626,713</u>	<u>37,626,713</u>	<u>39,381,185</u>	<u>1,754,472</u>
EXPENDITURES				
Current:				
General Government:	9,656,870	9,656,870	6,149,829	3,507,041
Public safety	21,874,148	21,874,148	22,892,027	(1,017,879)
Public works	2,511,424	2,511,424	4,868,194	(2,356,770)
Culture and recreation	3,300,696	3,300,696	3,936,716	(636,020)
Capital outlay:				
Land	-	-	1,240,338	(1,240,338)
Equipment	-	-	280,770	(280,770)
Total expenditures	<u>37,343,138</u>	<u>37,343,138</u>	<u>39,367,874</u>	<u>(2,024,736)</u>
Excess of expenditures over revenues	<u>283,575</u>	<u>283,575</u>	<u>13,311</u>	<u>(270,264)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	662,552	662,552	810,532	147,980
Transfers out	(1,094,108)	(1,094,108)	(1,050,543)	43,565
Sale of city property	-	-	259,453	259,453
Total other financing sources and uses	<u>(431,556)</u>	<u>(431,556)</u>	<u>19,442</u>	<u>450,998</u>
Net change in fund balances	<u>(147,981)</u>	<u>(147,981)</u>	<u>32,753</u>	<u>180,734</u>
Fund balances - beginning	<u>10,571,459</u>	<u>10,571,459</u>	<u>10,571,459</u>	<u>-</u>
Fund balances - ending	<u>\$ 10,423,478</u>	<u>\$ 10,423,478</u>	<u>\$ 10,604,212</u>	<u>\$ 180,734</u>

See accompanying notes to required supplementary information.

CITY OF MANSFIELD, TEXAS

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2013

Stewardship, compliance, and accountability

Budgetary information

As set forth in the City Charter, the City Council adopts an annual budget prepared in accordance with GAAP. The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a specific fund; however, any revisions that alter the total expenditures of the fund must be approved by the City Council. The City, for management purposes, adopts budgets for all funds except Special Revenue, Trust and Agency, and Capital Projects, which the use of these funds is legally restricted for a designated purpose. Legal budgets are adopted for the General Fund and the Debt Service Funds; the legal level of control is the fund level.

The City is prohibited from deficit spending as defined by the City's Charter. The City's fund balance as of September 30, 2013 is \$10,604,212. The City has one fund (Equipment Replacement fund) that has a deficit balance as of September 30, 2013 in the amount of \$71,501. This balance will be reimbursed by bond proceeds that will be issued subsequent to the end of the fiscal year.

The Capital Projects are funded through the issuance of general obligation debt authorized for a specific purpose. Trust Funds are restricted by legal authorization, which created the trust. Agency Funds are used to account for assets held for other funds, governments, or individuals and are custodial in nature.

All unused appropriations, except appropriations for capital expenditures, lapse at the close of the fiscal year to the extent they have not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Revenues in the general fund were more than budget by \$1,754,472 and expenditures were more than budget by \$2,024,736, which was offset by other financing sources (uses), which were less than budget by \$450,998.

Supplementary Information

Non-major Governmental Funds

Special Revenue Fund

Mansfield Parks Facility Development Corporation – This fund is used to account for the half-cent sales tax, approved by the voters, for parks land acquisition.

Other Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes. The following funds are combined into a single column for reporting purposes.

- Grants Fund – This fund is used to account for contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.
- COPS Grant Fund – This fund is used to account for the purchase of equipment used to reduce crime and improve public safety.
- Police Fund – This fund is used to account for contributions or drug forfeitures that are restricted to expenditure for police drug enforcement or the operations of the specific activity receiving the donation.
- Mansfield Municipal Court Fund – This fund is used to account for revenues that are restricted to promote child safety awareness in the community and to provide a safe and secure courtroom environment for all court participants.
- Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax revenues that are restricted to expenditure for the promotion of tourism, historical preservation, and the performing arts in the City.
- Tree Mitigation Fund – This fund is used to account for revenues that are restricted to expenditure for the preservation of trees and tree replacement in the City.
- Library Fund – This fund is used to account for contributions or gifts from individuals to be used or expended for Library operations, primarily for the purchase of books.
- Animal Control – This fund is used to account for contributions to be used for special medical needs and spaying/neutering assistance for adoptable animals.

Debt Service Fund

Mansfield Parks Facility Development Corporation Debt Service – This fund is used to account for the principal and interest payments on the MPFDC outstanding bonds.

Capital Projects Funds

Equipment Replacement Fund – This fund is used to account for the acquisition of vehicles, machinery, and equipment for use by City departments.

Parks Construction Fund – This fund is used to account for the construction of new parks within the City.

TIRZ #2 Fund – This fund is used to account for the revitalization of the City's Historic Downtown.

City of Mansfield, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2013

	Special Revenue			Debt Service		Capital Projects			Total Nonmajor Governmental Funds
	Mansfield Parks Facility Development Corporation	Other Special Revenue Funds	Total	MPFDC Debt Service	TIRZ #2	Equipment Replacement	Parks Construction	Total	Funds
ASSETS									
Cash and cash equivalents	\$ 6,449,346	\$ 1,763,680	\$ 8,213,026	\$ 255,081	\$ -	\$ 66,262	\$ 1,649,071	\$ 1,715,333	\$ 10,183,440
Accounts receivable, net	635,633	132,168	767,801	-	-	-	-	-	767,801
Inventory	-	61,228	61,228	-	-	-	-	-	61,228
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,084,979</u>	<u>\$ 1,957,076</u>	<u>\$ 9,042,055</u>	<u>\$ 255,081</u>	<u>\$ -</u>	<u>\$ 66,262</u>	<u>\$ 1,649,071</u>	<u>\$ 1,715,333</u>	<u>\$ 11,012,469</u>
LIABILITIES									
Accounts payable	\$ 271,378	\$ 20,687	\$ 292,065	\$ -	\$ -	\$ 137,763	\$ 294,028	\$ 431,791	\$ 723,856
Due to other funds	200,000	-	200,000	-	-	-	-	-	200,000
Accrued liabilities	57,974	11,930	69,904	-	-	-	-	-	69,904
Retainage payable	-	26,543	26,543	-	-	-	152,290	152,290	178,833
Deferred revenue	61,612	-	61,612	-	-	-	-	-	61,612
Total liabilities	<u>590,964</u>	<u>59,160</u>	<u>650,124</u>	<u>-</u>	<u>-</u>	<u>137,763</u>	<u>446,318</u>	<u>584,081</u>	<u>1,234,205</u>
FUND BALANCES									
Nonspendable	-	61,228	61,228	-	-	-	-	-	61,228
Restricted	5,447,130	142,095	5,589,225	255,081	-	(71,501)	1,202,753	1,131,252	6,975,558
Committed	1,046,885	1,643,834	2,690,719	-	-	-	-	-	2,690,719
Assigned	-	50,759	50,759	-	-	-	-	-	50,759
Total fund balances	<u>6,494,015</u>	<u>1,897,916</u>	<u>8,391,931</u>	<u>255,081</u>	<u>-</u>	<u>(71,501)</u>	<u>1,202,753</u>	<u>1,131,252</u>	<u>9,778,264</u>
Total liabilities and fund balances	<u>\$ 7,084,979</u>	<u>\$ 1,957,076</u>	<u>\$ 9,042,055</u>	<u>\$ 255,081</u>	<u>\$ -</u>	<u>\$ 66,262</u>	<u>\$ 1,649,071</u>	<u>\$ 1,715,333</u>	<u>\$ 11,012,469</u>

City of Mansfield, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2013

	Special Revenue			Debt Service	Capital Projects				
	Mansfield Parks Facility Development Corporation	Other Special Revenue Funds	Total	MPFDC Debt Service	TIRZ #2	Equipment Replacement	Parks Construction	Total	Total Nonmajor Governmental Funds
REVENUE									
Taxes	\$2,958,130	\$ 551,138	\$3,509,268	\$1,107,169	\$ -	\$ -	\$ -	\$ -	\$ 4,616,437
Development fees	367,750	46,971	414,721	-	-	-	-	-	414,721
Gas royalty	710,528	-	710,528	-	-	-	-	-	710,528
Recreational Fees	1,067,876	-	1,067,876	-	-	-	-	-	1,067,876
Fines and forfeitures	-	179,013	179,013	-	-	-	-	-	179,013
Investment earnings	8,192	844	9,036	4	-	-	2,316	2,316	11,356
Donations	20,856	20,831	41,687	-	-	-	-	-	41,687
Miscellaneous	76,041	5,507	81,548	-	-	-	-	-	81,548
Total revenues	5,209,373	804,304	6,013,677	1,107,173	-	-	2,316	2,316	7,123,166
EXPENDITURES									
Current:									
General government	-	1,070,960	1,070,960	-	-	130,458	-	130,458	1,201,418
Culture and recreation	2,358,547	-	2,358,547	-	-	-	-	-	2,358,547
Public safety	-	103,709	103,709	-	-	121,146	-	121,146	224,855
Debt service:									
Principal retirement	-	-	-	750,000	-	-	-	-	750,000
Interest	-	-	-	488,918	-	-	-	-	488,918
Bond issuance cost	-	-	-	-	-	18,404	-	18,404	18,404
Capital outlay:									
Land	841,309	-	841,309	-	-	-	-	-	841,309
Buildings	28,740	-	28,740	-	-	-	-	-	28,740
Equipment	163,250	-	163,250	-	-	1,041,270	-	1,041,270	1,204,520
Parks	67,262	-	67,262	-	-	-	1,593,842	1,593,842	1,661,104
Total expenditures	3,459,108	1,174,669	4,633,777	1,238,918	-	1,311,278	1,593,842	2,905,120	8,777,815
Excess (deficiency) of revenues over (under) expenditures	1,750,265	(370,365)	1,379,900	(131,745)	-	(1,311,278)	(1,591,526)	(2,902,804)	(1,654,649)
OTHER FINANCING SOURCES (USES)									
Transfers in:									
General fund		-	-	-	-	13,854	-	13,854	13,854
MPFDC	-	-	-	-	-	-	1,334,149	1,334,149	1,334,149
Transfers out:									
Parks construction	(1,334,149)	-	(1,334,149)	-	-	-	-	-	(1,334,149)
Street Construction fund	(130,000)	-	(130,000)	-	-	-	-	-	(130,000)
Sale of city property	-	-	-	-	-	54,296	-	54,296	54,296
Bonds issued	-	-	-	-	-	1,070,167	-	1,070,167	1,070,167
Premiums on bonds issued	-	-	-	-	-	78,773	-	78,773	78,773
Discounts on bonds issued	-	-	-	-	-	(7,212)	-	(7,212)	(7,212)
Total other financing sources	(1,464,149)	-	(1,464,149)	-	-	1,209,878	1,334,149	2,544,027	1,079,878
Net change in fund balances	286,116	(370,365)	(84,249)	(131,745)	-	(101,400)	(257,377)	(358,777)	(574,771)
Fund balances beginning	6,207,899	2,268,281	8,476,180	386,826	-	29,899	1,460,130	1,490,029	10,353,035
Fund balances ending	\$6,494,015	\$1,897,916	\$8,391,931	\$ 255,081	\$ -	\$ (71,501)	\$1,202,753	\$1,131,252	9,778,264

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Property taxes	\$ 11,680,422	\$ 11,680,422	\$ 11,104,266	\$ (576,156)
Investment earnings	-	-	631	631
Miscellaneous	-	-	-	-
Total revenues	11,680,422	11,680,422	11,104,897	(575,525)
EXPENDITURES				
Debt service:				
Principal	7,590,000	7,590,000	7,125,000	465,000
Interest	4,090,422	4,090,422	3,873,302	217,119
Fiscal charges	-	-	176,590	(176,590)
Issuance Costs	-	-	154,262	(154,262)
Total expenditures	11,680,422	11,680,422	11,329,154	351,268
Excess (deficiency) of revenues over (under) expenditures	-	-	(224,257)	(224,257)
OTHER FINANCES SOURCES (USES)				
Refunding bonds issued	-	-	7,080,000	(7,080,000)
Premium on bonds issued	-	-	539,046	(539,046)
Discounts on bonds issued	-	-	(47,606)	47,606
Payment to refunded bond escrow agent	-	-	(7,420,000)	7,420,000
Transfer In	-	-	-	-
Total other financing sources (uses)	-	-	151,440	(151,440)
Net changes in fund balance	-	-	(72,817)	(72,817)
Fund balances beginning	668,959	668,959	668,959	-
Fund balances ending	\$ 668,959	\$ 668,959	\$ 596,142	\$ (72,817)

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Mansfield Parks Facilities Development Corporation Debt Service Fund
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 1,232,668	\$ 1,232,668	\$ 1,107,169	\$ (125,499)
Investment earnings	-	-	4	4
Other Financing Source	-	-	-	-
Total revenues	1,232,668	1,232,668	1,107,173	(125,495)
EXPENDITURES				
Debt service:				
Principal	750,000	750,000	750,000	-
Interest and fiscal charges	482,668	482,668	488,918	6,250
Fiscal charges	-	-	-	-
Issuance Costs	-	-	-	-
Total expenditures	1,232,668	1,232,668	1,238,918	(6,250)
Excess (deficiency) of revenues over (under) expenditures	-	-	(131,745)	(131,745)
OTHER FINANCES SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Discounts on bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfer In	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	(131,745)	(131,745)
Fund balances beginning	386,826	386,826	386,826	-
Fund balances ending	\$ 386,826	\$ 386,826	\$ 255,081	\$ (131,745)

City of Mansfield, Texas
Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2013

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
ASSETS				
Cash and cash equivalents	\$ 441,177	\$ 9,572,547	\$ 9,089,054	\$ 924,670
Total Assets	<u>\$ 441,177</u>	<u>\$ 9,572,547</u>	<u>\$ 9,089,054</u>	<u>\$ 924,670</u>
LIABILITIES				
Insurance Payable	\$ 441,177	\$ 9,572,547	\$ 9,089,054	\$ 924,670
Total Liabilities	<u>\$ 441,177</u>	<u>\$ 9,572,547</u>	<u>\$ 9,089,054</u>	<u>\$ 924,670</u>

City of Mansfield, Texas
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
September 30, 2013

Governmental funds capital assets:

Land	\$ 94,605,319
Buildings	62,065,246
Other Improvements	15,359,926
Vehicles, Machinery, and Equipment	20,678,083
Infrastructure	283,173,993
Construction In Progress	8,975,862
Total Capital Assets	<u>\$ 484,858,429</u>

Investments in governmental funds capital assets by source:

General Obligation Bonds	\$ 206,425,163
Intergovernmental Revenues	3,439,102
Current Revenue	12,914,426
Special Revenues	8,247,448
Developer Revenue	2,272,711
Contributions	251,559,579
Total Investment In Capital Assets	<u>\$ 484,858,429</u>

City of Mansfield, Texas
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
September 30, 2013

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government:							
Administration	\$ -	\$ -	\$ -	\$ 125,377	\$ -	\$ -	\$ 125,377
City secretary/legal	-	-	-	87,625	-	-	87,625
Personnel	-	-	-	23,627	-	31,707	55,334
Finance	-	-	-	9,754	-	-	9,754
Accounting/budget/purchasing	-	-	-	22,948	-	-	22,948
Tax assessing	-	-	-	12,806	-	-	12,806
Information services	-	-	-	584,401	-	-	584,401
Planning and development	-	-	-	122,285	-	-	122,285
Engineering	-	-	-	105,983	-	-	105,983
Code enforcement	-	-	-	93,957	-	-	93,957
Building inspection	-	-	-	50,073	-	-	50,073
General government buildings	9,313,494	62,031,206	33,471	392,466	-	58,880	71,829,517
Total general government	9,313,494	62,031,206	33,471	1,631,302	-	90,587	73,100,060
Public safety:							
Police	-	-	46,159	8,445,612	-	29,645	8,521,416
Fire	-	-	8,851	6,401,776	-	-	6,410,627
Municipal court	282,234	-	-	240,948	-	-	523,182
Animal control	-	-	83,291	182,277	-	-	265,568
Total public safety	282,234	-	138,301	15,270,613	-	29,645	15,720,793
Culture and recreation							
Parks and recreation	2,436,073	34,040	15,172,078	1,398,456	-	2,526,839	21,567,486
Senior citizens	-	-	3,000	79,434	-	-	82,434
Library	410,001	-	-	825,459	-	-	1,235,460
Land maintenance	-	-	-	195,166	-	-	195,166
Building maintenance	-	-	13,076	58,106	-	-	71,182
Total culture and recreation	2,846,074	34,040	15,188,154	2,556,621	-	2,526,839	23,151,728
Public works:							
Streets	82,163,517	-	-	1,219,547	283,173,993	6,328,791	372,885,848
Total public works	82,163,517	-	-	1,219,547	283,173,993	6,328,791	372,885,848
18 Total governmental funds capital assets	\$ 94,605,319	\$ 62,065,246	\$ 15,359,926	\$ 20,678,083	\$ 283,173,993	\$ 8,975,862	\$ 484,858,429

City of Mansfield, Texas
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function And Activity
For the fiscal year ended September 30, 2013

Function and Activity	Governmental Funds Capital Assets, September 30, 2012	Additions	Deductions	Governmental Funds Capital Assets, September 30, 2013
General government				
Administration	\$ 630,260	\$ -	\$ -	\$ 630,260
City secretary/legal	87,625	-	-	87,625
Personnel	23,627	31,707	-	55,334
Finance	9,754	-	-	9,754
Accounting/budget/purchasing	22,948	-	-	22,948
Tax assessing	12,806	-	-	12,806
Information services	528,450	55,951	-	584,401
Planning and development	129,285	-	-	129,285
Engineering	81,002	24,981	-	105,983
Code enforcement	93,957	-	-	93,957
Building inspection	50,073	-	-	50,073
General government buildings	22,019,794	1,286,068	-	23,305,862
Total general government	23,689,581	1,398,707	-	25,088,288
Public safety:				
Police	7,781,383	715,877	389,057	8,108,203
Fire	13,659,249	283,088	-	13,942,337
Municipal court	150,701	90,247	-	240,948
Animal control	703,225	-	-	703,225
Total public safety	22,294,558	1,089,212	389,057	22,994,713
Culture and recreation				
Parks and recreation	56,800,889	2,721,236	68,696	59,453,429
Senior citizens	82,434	-	-	82,434
Library	3,549,989	-	-	3,549,989
Land maintenance	247,527	-	-	247,527
Building maintenance	810,454	-	-	810,454
Total culture and recreation	61,491,293	2,721,236	68,696	64,143,833
Public works:				
Streets	363,901,386	8,773,257	43,048	372,631,595
Total public works	363,901,386	8,773,257	43,048	372,631,595
Total governmental funds capital assets	\$ 471,376,818	\$ 13,982,412	\$ 500,801	\$ 484,858,429

MANSFIELD ECONOMIC DEVELOPMENT CORPORATION

**City of Mansfield
Balance Sheet
Mansfield Economic Development Corporation
As of September 30, 2013**

ASSETS

Cash and investments	\$ 5,067,035
Receivables (net of allowance for uncollectibles)	320,183
Restricted cash and investments	6,581,530
Prepays	-
Total assets	<u>\$ 11,968,748</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 59,559
Accrued liabilities	<u>37,883</u>
Total liabilities	<u>97,442</u>

Fund balances:

Reserved for prepaids	-
Reserved for capital projects	6,581,530
Unreserved, undesignated	<u>5,289,776</u>
Total fund balances	11,871,306

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,853,801
Issuance costs when debt is first issued. The amount is deferred and amortized in the treatment of long-term debt and related items.	260,515
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(11,704,508)</u>

Net position of governmental activities	<u>\$ 9,281,114</u>
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City of Mansfield, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Mansfield Economic Development Corporation
September 30, 2013

REVENUES

Sales taxes	\$ 4,065,299
Gas Royalty Income	3,010
Interest	9,214
Contributions	-
Miscellaneous	175
Total revenues	<u>4,077,698</u>

EXPENDITURES

Current:	
Administration	819,779
Projects	3,396,140
Debt service:	
Principal	695,000
Interest	625,775
Capital outlay:	
Land	-
Total expenditures	<u>5,536,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,458,996)</u>

OTHER FINANCING SOURCES (USES)

Sale of city property	<u>433,000</u>
Total other financing sources (uses)	<u>433,000</u>
Net change in fund balance	(1,025,996)
Fund balance beginning	<u>12,897,302</u>
Fund balance ending	<u><u>\$ 11,871,306</u></u>

City of Mansfield, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
Mansfield Economic Development Corporation
to the Statement of Activities
For the Year Ended September 30, 2013

Amounts reported for the MEDC in the statement of activities are different because:

Net change in fund balances MEDC	\$	(1,025,996)
----------------------------------	----	-------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		899,025
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(941,576)
--	--	-----------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the treatment of long-term debt and related items.		<div style="border-top: 1px solid black; display: inline-block; width: 100%;">671,157</div>
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Changes in net position of governmental activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">(397,390)</div>
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CITY OF MANSFIELD, TEXAS

STATISTICAL SECTION

SEPTEMBER 30, 2013

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends Page 88 – 94

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity Page 95 – 98

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax revenues.

Capacity Page 99 – 103

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information Page 104 – 105

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

Operating Information Page 106 – 108

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services that the City provides and the activities it performs.

City of Mansfield, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Invested in capital assets, net of related debt	\$ 197,666	\$ 204,332	\$ 210,596	\$ 217,381	\$ 226,079	\$ 226,416	\$ 224,555	\$ 225,083	\$ 225,017	\$ 211,270
Restricted	635	403	446	993	1,815	721	1,037	619	490	15,520
Unrestricted	7,071	7,959	8,298	8,657	4,064	6,806	7,269	7,953	9,275	7,967
Total governmental activities net position	<u>\$ 205,372</u>	<u>\$ 212,694</u>	<u>\$ 219,340</u>	<u>\$ 227,031</u>	<u>\$ 231,958</u>	<u>\$ 233,943</u>	<u>\$ 232,861</u>	<u>\$ 233,655</u>	<u>\$ 234,782</u>	<u>\$ 234,757</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 76,316	\$ 83,989	\$ 91,581	\$ 97,214	\$ 103,077	\$ 107,442	\$ 111,276	\$ 112,164	\$ 115,837	\$ 105,677
Restricted	3,186	3,202	3,593	3,906	3,792	4,280	4,246	4,331	4,320	18,108
Unrestricted	2,955	5,056	6,795	7,511	7,996	9,049	10,625	17,657	20,683	24,992
Total business-type activities net position	<u>\$ 82,457</u>	<u>\$ 92,247</u>	<u>\$ 101,969</u>	<u>\$ 108,631</u>	<u>\$ 114,865</u>	<u>\$ 120,771</u>	<u>\$ 126,147</u>	<u>\$ 134,152</u>	<u>\$ 140,840</u>	<u>\$ 148,777</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 273,982	\$ 288,321	\$ 302,177	\$ 314,595	\$ 329,156	\$ 333,858	\$ 335,831	\$ 337,247	\$ 340,854	\$ 316,947
Restricted	3,821	3,605	4,039	4,899	5,607	5,001	5,283	4,950	4,810	33,628
Unrestricted	10,026	13,015	15,093	16,168	12,060	15,855	17,894	25,610	29,958	32,959
Total primary government net position	<u>\$ 287,829</u>	<u>\$ 304,941</u>	<u>\$ 321,309</u>	<u>\$ 335,662</u>	<u>\$ 346,823</u>	<u>\$ 354,714</u>	<u>\$ 359,008</u>	<u>\$ 367,807</u>	<u>\$ 375,622</u>	<u>\$ 383,534</u>

City of Mansfield, Texas
Changes in Net Position of Governmental and Business Type Activities
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 6,412	\$ 7,491	\$ 8,216	\$ 9,073	\$ 9,630	\$ 6,574	\$ 6,142	\$ 6,196	\$ 6,686	\$ 8,397
Public safety	10,383	12,279	14,708	17,452	18,513	20,227	20,515	21,539	22,640	24,725
Public works	10,215	10,857	11,282	12,010	12,303	15,054	14,027	14,579	15,115	14,852
Culture and recreation	4,245	3,823	4,660	5,366	6,628	7,898	8,195	7,762	8,488	8,281
Interest on long-term debt	3,481	3,805	4,180	4,543	5,176	5,424	5,318	5,138	4,461	4,317
Total governmental activities expenses	\$ 34,736	\$ 38,255	\$ 43,046	\$ 48,444	\$ 52,250	\$ 55,177	\$ 54,197	\$ 55,214	\$ 57,390	\$ 60,572
Business-type activities:										
Water	7,721	8,800	10,158	11,408	11,140	12,019	11,567	13,112	14,441	15,838
Sewer	1,913	2,337	3,155	3,335	3,360	3,950	4,216	5,246	6,112	4,913
Law enforcement center	5,727	5,809	6,273	7,478	7,484	8,241	8,018	8,373	8,712	9,836
Drainage	632	571	761	886	846	941	870	863	752	1,103
Total business-type activities expenses	15,993	17,517	20,347	23,107	22,830	25,151	24,671	27,594	30,017	31,690
Total primary government expenses	\$ 50,729	\$ 55,772	\$ 63,393	\$ 71,551	\$ 75,080	\$ 80,328	\$ 78,868	\$ 82,808	\$ 87,407	\$ 92,262
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,438	\$ 4,694	\$ 4,167	\$ 4,241	\$ 4,819	\$ 4,593	\$ 3,659	\$ 4,263	\$ 4,627	\$ 4,993
Public safety	1,374	1,131	620	1,368	1,317	1,593	1,747	2,325	2,394	2,789
Public works	1,237	1,265	1,961	2,856	1,529	974	708	1,061	1,610	2,216
Culture and recreation	369	522	677	1,877	1,619	939	844	779	1,188	1,552
Operating grants and contributions	160	42	71	339	653	432	613	365	442	187
Capital grants and contributions	9,601	7,370	7,871	5,690	4,066	3,495	771	1,125	539	245
Total governmental activities program revenues	17,179	15,024	15,367	16,371	14,003	12,026	8,342	9,918	10,800	11,982
Business-type activities:										
Charges for services:										
Water	12,321	13,768	14,799	12,357	14,060	15,137	14,821	18,144	17,437	19,577
Sewer	3,724	4,059	4,901	5,702	5,045	5,918	6,288	8,250	8,220	8,601
Law enforcement center	4,757	4,937	6,024	7,724	7,261	7,346	6,483	6,697	8,025	9,322
Drainage	865	900	1,114	1,031	1,075	1,209	1,203	1,352	2,079	1,302
Operating grants and contributions	-	-	-	-	126	92	-	-	-	324
Capital grants and contributions	3,231	2,465	2,426	2,405	1,140	1,910	417	549	239	532
Total business-type activities program revenues	24,898	26,129	29,264	29,219	28,707	31,612	29,212	34,992	36,000	39,658
Total primary government program revenues	\$ 42,077	\$ 41,153	\$ 44,631	\$ 45,590	\$ 42,710	\$ 43,638	\$ 37,554	\$ 44,910	\$ 46,800	\$ 51,640

Net (expense) revenue:													
Governmental activities	\$	(17,557)	\$	(23,231)	\$	(27,679)	\$	(32,073)	\$	(38,247)	\$	(43,151)	\$ (45,855) \$ (45,296) \$ (46,590) \$ (48,590)
Business-type activities		8,905		8,612		8,917		6,112		5,877		6,461	4,541 7,398 5,983 7,968
Total primary government net expense	\$	(8,652)	\$	(14,619)	\$	(18,762)	\$	(25,961)	\$	(32,370)	\$	(36,690)	(41,314) \$ (37,898) \$ (40,607) \$ (40,622)
General Revenues and Other Changes in Net Position													
Governmental activities:													
Taxes													
Property taxes	\$	16,854	\$	19,350	\$	21,334	\$	23,972	\$	26,606	\$	29,004	\$ 30,366 \$ 30,514 \$ 30,823 \$ 31,389
Sales taxes		5,866		7,095		7,840		9,259		10,582		10,638	10,718 10,894 11,699 12,196
Franchise taxes		2,058		2,157		2,467		2,669		2,849		3,048	3,158 3,514 3,537 3,477
Mixed drink taxes		33		41		59		74		105		126	118 120 101 107
Hotel/motel taxes		61		80		87		102		253		387	290 419 508 551
Unrestricted investment earnings		307		1,008		1,801		2,353		1,298		148	2 4 16 32
Gas royalty income		-		-		-		109		347		861	379 1,249 541 788
Gain on sale of capital assets		7,731		822		76		(23)		(10)		11	- 34 36 250
Transfers		(422)		-		662		1,249		1,144		913	(259) (558) 354 (226)
Total governmental activities	\$	32,488	\$	30,553	\$	34,326	\$	39,764	\$	43,174	\$	45,136	\$ 44,772 \$ 46,190 \$ 47,615 \$ 48,564
Business-type activities:													
Property taxes		514		512		503		503		494		578	568 571 571 473
Unrestricted investment earnings		184		666		953		1,296		525		120	7 4 24 43
Gain (loss) on sale of capital assets		-		-		10		-		-		7	- - - (953)
Special item-debt forgiveness		604		-		-		-		-		-	- - - -
Transfers		422		-		(662)		(1,249)		(662)		(1,260)	259 495 (354) 226
Total business-type activities		1,724		1,178		804		550		357		(555)	834 1,070 241 (211)
Total primary government	\$	34,212	\$	31,731	\$	35,130	\$	40,314	\$	43,531	\$	44,581	\$ 45,606 \$ 47,260 \$ 47,856 \$ 48,353
Change in Net Position:													
Governmental activities	\$	14,931	\$	7,322	\$	6,647	\$	7,691	\$	4,927	\$	1,985	\$ (1,083) \$ 894 \$ 1,025 \$ (26)
Business-type activities		10,629		9,790		9,721		6,662		6,234		5,906	5,375 8,468 6,224 7,757
Total primary government	\$	25,560	\$	17,112	\$	16,368	\$	14,353	\$	11,161	\$	7,891	\$ 4,292 \$ 9,362 \$ 7,249 \$ 7,731

In 2009, Certain expenses were reclassified from general government to public works.

City of Mansfield, Texas
Governmental Activities Tax Revenue By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Mixed Drink Tax</u>	<u>Hotel/Motel Tax</u>	<u>Total</u>
2004	16,854	5,866	2,058	33	61	\$ 24,872
2005	19,350	7,095	2,157	41	80	28,723
2006	21,334	7,840	2,467	59	87	31,787
2007	23,972	9,259	2,669	74	102	36,076
2008	26,606	10,582	2,849	105	253	40,395
2009	29,004	10,638	3,048	126	387	43,203
2010	30,366	10,718	3,158	118	290	44,650
2011	30,514	10,894	3,514	120	419	45,461
2012	30,823	11,699	3,537	101	508	46,668
2013	31,389	12,196	3,477	107	551	47,720

City of Mansfield, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010*	2011	2012	2013
General fund:										
Reserved	\$ 11	\$ 6	\$ 38	\$ 39	\$ 49	\$ 8	\$ -	\$ -	\$ -	\$ -
Unreserved	7,069	8,054	8,473	9,665	4,329	7,179	-	-	-	-
Nonspendable	-	-	-	-	-	-	6	5	34	10
Assigned	-	-	-	-	-	-	-	-	650	-
Unassigned	-	-	-	-	-	-	7,977	9,027	9,887	10,594
Total general fund	<u>\$ 7,080</u>	<u>\$ 8,060</u>	<u>\$ 8,511</u>	<u>\$ 9,704</u>	<u>\$ 4,378</u>	<u>\$ 7,187</u>	<u>\$ 7,983</u>	<u>\$ 9,032</u>	<u>\$ 10,571</u>	<u>\$ 10,604</u>
All other governmental funds:										
Reserved	\$ 16,047	\$ 28,455	\$ 24,672	\$ 15,134	\$ 18,783	\$ 22,441	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	215	290	326	948	1,857	2,315	-	-	-	-
Nonspendable	-	-	-	-	-	-	61	61	61	61
Restricted	-	-	-	-	-	-	15,789	16,789	16,838	15,176
Committed	-	-	-	-	-	-	2,891	3,224	3,273	2,691
Assigned	-	-	-	-	-	-	110	124	43	51
Total all other governmental funds	<u>\$ 16,262</u>	<u>\$ 28,745</u>	<u>\$ 24,998</u>	<u>\$ 16,082</u>	<u>\$ 20,640</u>	<u>\$ 24,756</u>	<u>\$ 18,851</u>	<u>\$ 20,198</u>	<u>\$ 20,215</u>	<u>\$ 17,979</u>

* City implemented GASB Statement No. 54 in Fiscal Year 2010

City of Mansfield, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 24,800	\$ 28,657	\$ 31,601	\$ 36,179	\$ 40,297	\$ 43,208	\$ 44,650	\$ 45,343	\$ 46,546	\$ 47,696
Licenses and permits	2,852	3,048	2,356	2,074	1,598	1,118	1,750	2,830	2,264	1,982
Intergovernmental	153	111	143	109	517	23	350	220	387	131
Charges for services	1,859	1,906	2,025	2,614	2,150	2,750	3,075	3,165	3,723	4,594
Fines	931	861	960	1,036	968	1,046	1,261	1,561	1,746	2,645
Interest	307	1,008	1,801	2,353	1,298	148	2	4	16	32
Contributions and donations	1,034	118	376	443	2,153	432	777	57	54	56
Impact fees	892	926	1,728	3,738	2,226	1,305	971	1,509	1,267	1,777
Miscellaneous	602	792	898	920	2,582	2,717	422	327	1,365	1,299
Total revenues	<u>\$ 33,430</u>	<u>\$ 37,427</u>	<u>\$ 41,888</u>	<u>\$ 49,466</u>	<u>\$ 53,789</u>	<u>\$ 52,747</u>	<u>\$ 53,258</u>	<u>\$ 55,016</u>	<u>\$ 57,368</u>	<u>\$ 60,212</u>
Expenditures										
General government	5,860	6,957	7,517	8,157	9,061	6,013	5,504	5,519	5,991	7,507
Public safety	9,515	11,310	13,634	15,822	17,672	19,159	19,370	20,513	21,836	23,279
Public works	2,555	2,811	2,628	2,868	2,644	5,559	4,858	4,724	5,161	4,868
Culture and recreation	3,742	3,184	4,024	4,560	5,432	6,118	6,303	6,206	6,941	6,295
Capital outlay	23,412	15,462	20,453	27,080	24,157	13,572	9,552	6,141	10,138	13,738
Debt Service:										
Principal	3,880	4,975	5,245	6,040	5,770	6,165	6,930	7,200	7,950	7,875
Interest	3,380	3,642	4,185	4,502	5,161	5,343	5,474	5,057	4,581	4,362
Fiscal charges	547	305	-	-	-	-	14	16	600	176
Bond issuance cost	520	412	552	257	414	365	2	288	415	246
Total expenditures	<u>53,411</u>	<u>49,058</u>	<u>58,238</u>	<u>69,286</u>	<u>70,311</u>	<u>62,294</u>	<u>58,007</u>	<u>55,664</u>	<u>63,613</u>	<u>68,346</u>
Excess of revenues over (under) expenditures	<u>(19,981)</u>	<u>(11,631)</u>	<u>(16,350)</u>	<u>(19,820)</u>	<u>(16,522)</u>	<u>(9,547)</u>	<u>(4,749)</u>	<u>(648)</u>	<u>(6,245)</u>	<u>(8,134)</u>

Transfers-in	3,058	3,534	3,839	1,977	9,450	1,016	925	1,223	777	2,289
Transfers-out	(3,480)	(3,534)	(3,177)	(729)	(8,307)	(103)	(1,185)	(1,781)	(423)	(2,515)
Sale of city property	7,973	7,601	77	-	2	11	-	34	37	314
Operating Lease	-	-	-	-	-	-	-	373	-	-
Refunding bonds issued	18,025	9,050	-	-	-	10,400	-	9,730	10,850	7,080
Bonds issued	12,420	17,095	12,345	10,735	14,645	15,435	-	3,090	6,490	5,335
Premium on bonds issued	967	498	130	265	101	218	-	185	367	932
Discounts on bonds issued	(277)	(235)	(160)	(127)	(164)	(220)	-	(58)	(112)	(84)
Payment to refunded bond escrow agent	(18,335)	(8,915)	-	-	-	(10,385)	-	(9,749)	(10,185)	(7,420)
Total other financing sources (uses)	<u>20,351</u>	<u>25,094</u>	<u>13,054</u>	<u>12,121</u>	<u>15,727</u>	<u>16,372</u>	<u>(260)</u>	<u>3,047</u>	<u>7,801</u>	<u>5,931</u>
Net change in fund balances	<u>\$ 370</u>	<u>\$ 13,463</u>	<u>\$ (3,296)</u>	<u>\$ (7,699)</u>	<u>\$ (795)</u>	<u>\$ 6,825</u>	<u>\$ (5,009)</u>	<u>\$ 2,399</u>	<u>\$ 1,556</u>	<u>\$ (2,203)</u>
Debt service as a percentage of non-capital expenditures	24.2%	25.6%	25.0%	25.0%	23.7%	23.6%	25.6%	24.8%	23.4%	22.4%

City of Mansfield, Texas
General Governmental Tax Revenue By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink	Total
2004	16,782	5,866	2,058	61	33	24,800
2005	19,284	7,095	2,157	80	41	28,657
2006	21,148	7,840	2,467	87	59	31,601
2007	24,074	9,259	2,669	102	75	36,179
2008	26,507	10,582	2,850	253	105	40,297
2009	29,100	10,639	3,048	295	126	43,208
2010	30,365	10,718	3,159	290	118	44,650
2011	30,514	10,894	3,515	300	120	45,343
2012	30,700	11,700	3,537	508	101	46,546
2013	31,365	12,196	3,477	551	107	47,696

City of Mansfield, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended September 30	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2004	2,456,766,762	301,618,686	414,732,527	2,343,652,921	0.71
2005	2,770,756,998	334,918,437	423,292,720	2,682,382,715	0.71
2006	3,161,952,079	386,563,292	506,507,735	3,042,007,636	0.69
2007	3,363,128,663	340,732,813	397,195,436	3,306,666,040	0.69
2008	3,728,211,159	451,982,835	349,439,672	3,830,754,322	0.69
2009	4,085,602,544	403,228,962	390,079,518	4,098,751,988	0.71
2010	4,096,767,192	502,804,565	489,765,181	4,109,806,576	0.71
2011	3,922,110,419	500,107,757	395,212,412	4,027,005,764	0.71
2012	4,366,636,631	510,514,153	480,454,086	4,396,696,698	0.71
2013	4,404,361,995	640,695,688	555,442,336	4,489,615,347	0.71

Source: Tarrant Appraisal District, Johnson Appriasal District, and Ellis County Appraisal District

City of Mansfield, Texas
Property Tax Rates
Direct and Overlapping¹ Governments
Last Ten Fiscal Years

Fiscal Year	City of Mansfield, Texas			Overlapping Rates							Total Direct and Overlapping Rates
				Counties ¹			School District				
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	
2004	0.397	0.313	0.710	0.883	0.087	0.970	1.367	0.315	1.682	0.372	3.734
2005	0.414	0.296	0.710	0.882	0.089	0.971	1.377	0.340	1.717	0.375	3.773
2006	0.404	0.286	0.690	0.883	0.090	0.973	1.407	0.365	1.772	0.375	3.810
2007	0.399	0.291	0.690	0.855	0.138	0.993	1.288	0.400	1.688	0.375	3.746
2008	0.410	0.280	0.690	0.834	0.150	0.984	1.040	0.410	1.450	0.402	3.526
2009	0.486	0.224	0.710	0.865	0.113	0.978	1.040	0.410	1.450	0.386	3.524
2010	0.444	0.266	0.710	0.841	0.112	0.953	1.040	0.456	1.496	0.386	3.545
2011	0.457	0.253	0.710	0.843	0.109	0.952	1.040	0.456	1.496	0.397	3.555
2012	0.454	0.256	0.710	0.816	0.161	0.977	1.040	0.500	1.540	0.397	3.624
2013	0.451	0.259	0.710	0.914	0.101	1.015	1.040	0.500	1.540	0.397	3.662

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Mansfield, Texas. Not all overlapping rates apply to all City of Mansfield, Texas property owners (e.g., the rates for the special districts and counties apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district and county. The City of Mansfield, Texas is located within three separate counties, Tarrant, Johnson, and Ellis.)

Source:

Tarrant County Appraisal District

Ellis County Appraisal District

Johnson County Appraisal District

City of Mansfield, Texas
Principal Property Taxpayers
As of September 30, 2013
(amounts expressed in thousands)

Taxpayer	2013			2004		
	Taxable	Rank	Percentage of	Taxable	Rank	Percentage of
	Assessed		Total Taxable	Assessed		Total Taxable
	Value		Assessed	Value		Assessed
Mouser Electronics	\$ 107,100,328	1	2.34%			
Mid-America Apartments LP	46,800,000	2	1.02%			
Mansfield KDC III LP Etal	41,319,371	3	0.90%			
Oncor Electric Delivery Co	33,186,632	4	0.72%	21,912,892	1	0.94%
Klein Tools Inc.	31,628,620	5	0.69%			
Dolce Living Mansfield LLC	29,100,000	6	0.63%			
Wal-Mart Stores Inc.	28,821,940	7	0.63%	14,741,044	4	0.72%
Broadstone Towne Crossing	26,050,000	8	0.57%			
Apartment Reit Towne Crossing	22,000,000	9	0.48%			
Chemguard Inc.	21,937,603	10	0.48%			
Pier 1 Imports	-		-	16,896,688	2	0.65%
Simeus Foods International	-		-	15,279,148	3	0.63%
Lowe's	-		-	14,591,967	5	0.62%
Home Depot	-		-	13,151,720	6	0.56%
Spyglass of Mansfield Ltd.	-		-	11,797,311	7	0.50%
GEM Microelectronic	-		-	10,506,920	8	0.45%
Southwestern Bell	-		-	9,869,852	9	0.42%
Mansfield Commons Ltd.	-		-	9,683,872	10	0.41%
Total	\$ 387,944,494		8.46%	\$ 138,431,414		5.90%

Source: Tarrant Appraisal District

City of Mansfield, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Prior Years ⁽¹⁾	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	16,640	16,688	100.3%	435	17,123	102.9%
2005	19,045	19,058	100.1%	445	19,503	102.4%
2006	20,973	20,846	99.4%	480	21,326	101.7%
2007	22,816	22,959	100.6%	432	23,391	102.5%
2008	26,425	25,870	97.9%	393	26,263	99.4%
2009	29,289	29,100	99.35%	305	29,405	100.4%
2010	30,541	30,159	98.75%	315	30,474	99.8%
2011	30,380	30,093	99.06%	138	30,231	99.5%
2012	31,049	30,709	98.90%	151	30,860	99.4%
2013	31,578	31,353	99.29%	-	31,353	99.3%

(1) - Information was not available from Tarrant Appraisal District for collections in subsequent years. Thus, the amount shown is actual delinquent property taxes collected during the fiscal year.

City of Mansfield, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificate Obligation Bonds			
2004	65,995	8,535	38,030	4,135	116,695	10.58%	2,571
2005	78,540	8,245	38,550	3,855	129,190	8.66%	2,550
2006	82,190	11,695	35,515	3,565	132,965	8.30%	2,446
2007	85,200	13,380	40,555	3,255	142,390	8.32%	2,452
2008	91,825	15,630	37,030	3,715	148,200	8.70%	2,565
2009	102,235	14,780	60,545	3,350	180,910	10.62%	3,089
2010	96,195	13,890	60,000	2,960	173,045	9.96%	2,936
2011	93,210	12,965	65,455	2,535	174,165	10.03%	2,955
2012	93,200	12,180	61,870	2,090	169,340	10.00%	2,945
2013	91,070	11,430	57,810	1,625	161,935	9.67%	2,848

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the schedule of demographic and economic statistics on page for personal income and population data.

City of Mansfield, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2004	65,995	935	65,060	2.78%	1,433
2005	78,540	780	77,760	2.90%	1,535
2006	82,190	733	81,457	2.68%	1,498
2007	85,200	1,363	83,837	2.54%	1,496
2008	91,825	2,307	89,518	2.43%	1,567
2009	102,235	1,064	101,171	2.47%	1,742
2010	96,195	1,207	94,988	2.31%	1,611
2011	93,210	902	92,308	2.29%	1,566
2012	93,200	669	92,531	2.10%	1,609
2013	91,070	596	90,474	2.06%	1,574

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Mansfield, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2013
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Mansfield Independent School District	\$ 691,174,963	47.13%	\$325,750,760
Midlothian Independent School District	228,992,167	0.83%	1,900,635
Johnson County	11,339,579	1.78%	201,845
Ellis County	53,121,262	0.16%	84,994
Tarrant County	301,585,000	3.41%	10,284,049
Tarrant County Hospital District	25,375,000	3.41%	865,288
Tarrant County College District	15,485,000	3.41%	528,039
Subtotal, overlapping debt			339,615,610
City of Mansfield, Texas direct debt			110,600,000
Total direct and overlapping debt			<u>\$450,215,610</u>

Sources:

FSC Disclosure Services (Division of First Southwest)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Mansfield, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

City of Mansfield, Texas
Legal Debt Margin Information
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Annual Debt Limit	\$ 35,154,794	\$ 40,235,741	\$ 45,630,115	\$ 49,599,991	\$ 61,481,280	\$ 61,481,280	\$ 61,647,099	\$ 60,405,087	\$ 65,950,450	\$ 67,344,230
Total net debt payment applicable to limit	7,775,730	9,080,640	9,933,090	11,045,973	11,461,010	12,074,192	12,971,729	12,825,195	13,101,663	12,957,138
Legal debt margin	<u>\$ 27,379,064</u>	<u>\$ 31,155,101</u>	<u>\$ 35,697,025</u>	<u>\$ 38,554,018</u>	<u>\$ 50,020,270</u>	<u>\$ 49,407,088</u>	<u>\$ 48,675,370</u>	<u>\$ 47,579,892</u>	<u>\$ 52,848,787</u>	<u>\$ 54,387,092</u>
Total net debt applicable to the limit as a percentage of debt limit	22.12%	22.57%	21.77%	22.27%	18.64%	19.64%	17.83%	21.23%	19.87%	19.24%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value	\$ 4,489,615,347
Debt limit (\$1.50 of assessed value)	67,344,230
Annual Debt Payments applicable to limit:	
General obligation bonds	<u>12,957,138</u>
Annual legal debt margin	<u><u>\$ 54,387,092</u></u>

The City Charter of the City of Mansfield, Texas and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population limits the ad valorem tax rate to \$2.50 per \$100 of assessed valuation. The Attorney General of the State of Texas has further defined the debt limit of applicable cities to be a \$1.50 per \$100 of assessed valuation.

City of Mansfield, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Water and Sewer Revenue Bonds						Drainage Revenue Bonds					
	Charges and Other	Less:	Net				Charges and Other	Less:	Net			
		Operating	Available	Debt Service		Operating		Available	Debt Service			
		Expenses	Revenue	Principal	Interest	Coverage		Expenses	Revenue	Principal	Interest	Coverage
2004	16,198,675	6,625,678	9,572,997	2,375,000	1,533,546	2.45	894,834	468,008	426,826	-	161,377	2.64
2005	18,370,541	7,940,712	10,429,829	2,670,000	1,478,072	2.51	1,022,939	357,017	665,922	185,000	203,133	1.72
2006	20,536,694	10,038,359	10,498,335	2,850,000	1,252,033	2.56	1,114,103	534,478	579,625	185,000	199,433	1.51
2007	19,188,996	10,837,689	8,351,307	2,970,000	1,343,718	1.94	1,186,718	543,033	643,685	190,000	260,747	1.43
2008	19,105,084	10,461,808	8,643,276	3,255,000	1,292,141	1.90	1,200,862	462,402	738,460	270,000	281,721	1.34
2009	21,151,621	11,916,708	9,234,913	2,395,000	2,195,165	2.01	1,317,815	561,370	756,445	275,000	273,753	1.38
2010	21,158,866	11,543,411	9,615,455	2,845,000	2,680,830	1.74	1,202,606	491,966	710,640	285,000	264,753	1.29
2011	26,398,502	12,445,314	13,953,188	3,600,000	2,711,369	2.21	1,354,035	484,436	869,599	295,000	254,890	1.58
2012	25,681,367	14,034,447	11,646,920	3,600,000	2,705,582	1.85	1,260,527	503,105	757,422	385,000	138,398	1.45
2013	28,220,877	14,288,287	13,932,590	3,700,000	2,611,729	2.21	1,807,772	797,607	1,010,165	360,000	165,670	1.92

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
Charges and other include investment earnings. Operating expenses do not include interest or depreciation.

City of Mansfield, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income (amounts expressed in thousands)	Per Capita Personal Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
2004	40,050	972,840	24,291	32.30	23,300	4.8
2005	45,000	1,325,961	29,466	32.30	23,300	4.5
2006	49,000	1,443,825	29,466	32.30	27,500	3.8
2007	51,300	1,520,433	29,638	31.80	27,940	3.9
2008	53,200	1,576,745	29,638	31.80	29,324	4.4
2009	55,950	1,481,466	26,478	31.80	31,680	7.2
2010	56,368	1,492,534	26,478	31.80	31,226	7.1
2011	56,850	1,505,296	26,478	31.80	32,638	6.5
2012	57,494	1,704,065	29,639	32.06	32,577	6.0
2013	58,106	1,717,276	29,554	32.30	32,732	4.9

¹Estimated Population - City's Planning Department

²Mansfield Economic Development Corporation

³Mansfield Independent School District

⁴Texas Workforce Commission

City of Mansfield, Texas
Principal Employers
Current Year and Ten Years Ago

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mansfield Independent School District	4,192	1	13.56%	-		0.00%
Mouser Electronics	1,050	2	3.40%	275	3	0.89%
Methodist Mansfield Medical Center	735	3	2.38%	-		0.00%
City of Mansfield, Texas	511	4	1.65%	-		0.00%
Walmart	400	5	1.29%	400	1	1.29%
Target	250	6	0.81%	-		0.00%
Lifetime Fitness	200	7	0.65%	-		0.00%
SJ Louis Construction of TX	200	7	0.65%	-		0.00%
Tarrant County	199	8	0.64%	-		0.00%
Walnut Creek Country Club	190	9	0.61%	-		0.00%
Best Buy	180	10	0.58%	-		0.00%
Trinity Forge	180	10	0.58%	143	5	0.46%
Simeus Foods				375	2	1.21%
Vencor Hospital				150	4	0.49%
Martin Conveying Machinery				120	7	0.39%
Conveyos Inc.				115	8	0.37%
Skyline				105	9	0.34%
Ropack Southwest				102	10	0.33%
RMD				125	6	0.40%
	<u>8,287</u>		<u>26.79%</u>	<u>1,910</u>		<u>6.16%</u>

Sources:

The Texas Workforce Commission website provided the total labor force numbers for September 2013 (30,921) information.
Official Statement for General Obligation Bonds, Series 2013.
Official Statement for General Obligation Bonds, Series 2004.

City of Mansfield, Texas
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General Government	22	22	23	24	30	30	30	30	31	31
Public Safety:										
Police	79	88	100	104	115	114	114	113	115	121
Fire	56	64	71	77	81	81	81	81	83	83
Public Works	51	53	49	51	52	56	56	58	57	57
Culture and Recreation	50	52	57	59	62	56	56	56	55	55
Water and Sewer	43	51	52	52	52	52	52	52	52	52
Law Enforcement Center	96	82	97	107	113	113	113	114	109	109
Drainage Utility	3	5	5	7	3	3	3	3	3	3
Total	400	417	454	480	508	505	505	507	505	511

Source: City Budget Office

City of Mansfield, Texas
Operating Indicators by Function
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
Police:										
Physical arrests	2,155	2,327	2,582	1,860	2,385	2,821	3,050	3,050	2,236	1,646
Accidents	626	675	710	819	852	751	825	837	837	909
Traffic violations	9,720	9,902	10,497	8,868	7,886	8,280	7,638	9,579	10,537	10,571
Fire:										
Number of calls answered	4,361	4,341	5,717	6,919	7,848	7,121	7,103	7,084	7,110	7,911
Inspections	520	1,107	1,218	1,340	1,254	1,886	1,998	2,305	2,850	2,008
Public Works:										
Street resurfacing (miles)	4	4	4	3	2.5	2	2.1	2.0	2.2	2.2
Asphalt overlays (square feet)	38,800	41,719	42,971	42,971	42,971	42,971	42,971	42,971	42,971	42,971
Culture and recreation:										
Sports association participants	10,250	12,000	14,000	14,700	14,700	13,800	9,086	7,235	7,445	7,235
MAC rentals	540	540	576	600	600	540	660	660	660	540
Water:										
New connections	1,416	1,560	755	550	469	400	300	255	343	419
Water main breaks	52	50	101	87	80	87	39	76	61	66
Average daily consumption (thousands of gallons)	5,765	7,773	9,388	8,185	9,771	9,937	8,987	11,793	11,944	10,667
Sewer:										
Average daily sewage treatment (thousands of gallons)	3,799	4,668	5,161	5,262	5,179	5,529	5,717	5,167	5,984	5,450
Public Safety:										
Police:										
Stations	1	2	2	2	2	2	2	2	2	2
Patrol units	38	44	49	56	54	54	55	52	44	42
Fire stations	2	3	3	3	3	4	4	4	4	4

Public Works:

Streets miles maintained	240	240	240	245	245	245	245	243	242	242
Miles of water and sewer lines	404	485	493	511	539	539	559	534	553	554
Calls for service	4,410	4,630	4,815	4,725	3,880	4,200	3,885	5,710	4,700	4,700

Culture and recreation:

Parks acreage	238	244	603	603	738	755	738	760	738	738
Parks	10	11	12	12	12	12	12	13	13	13
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1

Water:

Water mains (miles)	234	242	266	266	268	268	296	287	292	296
Fire hydrants*	1,801	1,859	1,967	2,097	2,201	2,201	2,207	2,207	2,207	2,207
Maximum daily capacity (thousands of gallons)	20,000	30,000	30,000	45,000	57,000	57,000	57,000	57,000	57,000	57,000

Sewer:

Sanitary sewer mains (miles)	205	212	239	280	282	286	296	257	261	261
Sewer lines repairs	180	162	162	199	83	54	43	23	23	64
Maximum daily treatment capacity (thousands of gallons)	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000

Law Enforcement Center: @

Average Daily Inmate Population	-	-	-	-	-	-	225	213	192	242
Average Daily Meals Served	-	-	-	-	-	-	675	639	576	726

Drainage Utility: #

Vegetation Control (acres)	-	-	-	-	-	-	-	-	56	56
Ditch & Channel Maintenance (miles)	-	-	-	-	-	-	-	-	11	13
Box Culverts Cleaned (feet)	-	-	-	-	-	-	-	-	10,072	10,072

Source: City Budget Office

(-) indicates that the information was not available.

*Updated 2008 GIS system.

@ - Implemented Fiscal Year 2010

- Implemented Fiscal Year 2012

